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Restaurant Business

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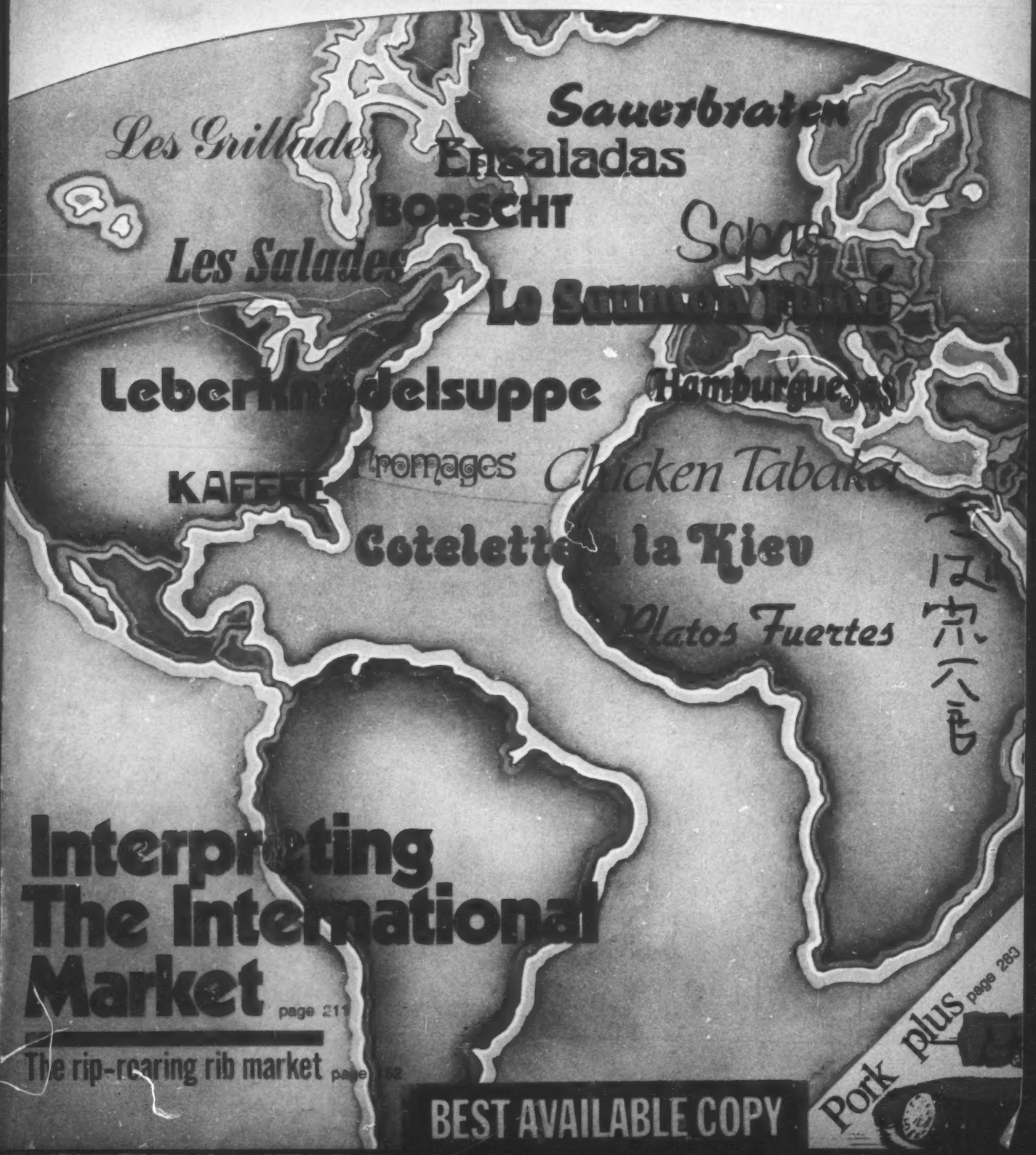

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Restaurant Business

NOVEMBER 1, 1982

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Cover painting by Jean Tuttle

The regulatory climate overseas

To shed some light on the legal, commercial and social complexities involved in operating in a foreign market, Restaurant Business interviewed Philip F. Zeidman, whose Washington, D.C. law firm, Brownstein Zeidman and Schomer, has several foodservice clients operating overseas.

Q: What restaurant systems are going overseas, and why?

A: The number and variety of U.S. restaurant operations that are expanding overseas are growing every year, perhaps at a more rapid rate of expansion than in the United States. That's not too surprising. The size of the foreign market is so large that you would anticipate that the growth rate overseas would be higher than here as companies saturate their U.S. markets.

The oldest and best-established firms in the United States, such as McDonald's and Kentucky Fried Chicken, tend to be the most expansive in international markets in terms of number of operations, number of countries in which located, and in terms of volume of sales in those countries. Indeed, for the first time, we are beginning to see substantial contributions to the revenues of some of those very large companies coming from overseas sales. We're also beginning to see in many cases larger unit volume sales overseas than they have in domestic markets. That is partly because of the novelty and lack of competition overseas, but also because the products of the U.S. franchises are becoming well accepted abroad.

There have always been a few small companies that have expanded overseas but it has not been typical. It is becoming somewhat more common today, although it certainly is not as common as for the larger companies.

The difficulties of foreign expansion, the upfront costs which are entailed, the substantially longer payout time to get a return on your investment are all substantial and formidable barriers to smaller concerns going overseas. In addition, smaller and younger concerns are likely to have more incentive to stay in the United States because they haven't yet fully saturated their U.S. market.

However, it is possible for smaller companies to expand overseas in a fashion beyond what many of them recognize. That is because the form of expansion for smaller U.S. companies overseas is far more likely to be through a joint-venture or through a master franchise than it is in the United States.

A master franchisee, or master sublicensor, can reduce substantially the amount of time and effort required of the franchisor in order to expand into a particular country, thereby making it possible for a relatively small company to expand overseas. I wouldn't want to leave the suggestion, however, that it is an easy task. Because it's not; it is difficult, it is risky, and it is expensive. Therefore, smaller companies should obviously be cautious about it.

I've recently taken a look at both the number of U.S. operations abroad, and number of retail units abroad, and they are both significant. We're talking about more than 20,000 U.S. franchise operations abroad, of which 4,000 are restaurants. We're also talking about impressive growth. The number of units of U.S. restaurant franchisors abroad doubled between 1973 and 1980, with the most significant growth taking place in Japan, where the number of units quintupled in that time period. The rest of Asia, Africa, Latin America, and the Caribbean also saw similar growth in U.S. restaurant franchises. *(See table on page 232).*

Q: Why is the startup cost higher and payback longer for U.S. companies operating abroad?

A: I can't put a number on it because so much of your cost may have nothing to do with "franchising" at all. For example, in the United Kingdom, a very substantial part of the cost may simply have to do with the fact that land is very expensive there. Those costs have nothing to do with international expansion as a concept; rather, they have to do with the particular country. So there's really nothing in common to all countries which can describe why the upfront cost is greater, with the exception of the language barrier (which does not apply in the U.K.).

It's obviously more expensive when you have to deal in a language which you don't normally speak, since you have to hire or re-

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tain people who do speak the language. For example, you have to do some translation of a substantial amount of operating manuals which you wouldn't have to do in the United States. Ultimately that's going to be an expense which the franchisee will bear, but it ends up being a cost for you. One way or another, it's a factor in the equation of how much you have to invest and how much you can get out of your investment.

In addition, you have to recognize that the attitude in foreign countries toward return on investment tends to be quite different than it is in the United States. Take Japan as an example.

The notion of having quarterly shareholder reports in which one measures from one quarter to the next whether one's earnings per share have increased, is something which is quite foreign to the Japanese market. The Japanese are perfectly prepared to think in terms of five-year plans.

That's something which is hard for Americans to understand. When American companies want to start expanding overseas, it's also hard for their shareholders to understand the numbers in conventional terms, because they can't possibly show, at least in the early days, the kind of return on investment they could show in the United States.

So a much longer view has to be taken with international expansion than in terms of domestic expansion.

Q: What kind of reception can U.S. restaurant chains expect from foreign countries?

A: I'd like to treat that as two parts of a question: One has to do with receptivity by consumers to the U.S. products; the second has to do with the official attitude regarding the introduction of U.S. products and services.

As far as the first, obviously there is substantial difference between developing countries and more developed countries with regard to U.S. products. More developed countries which are familiar with U.S. products and services through television, movies, publications, and otherwise, are obviously far more prepared to receive our products. Therefore, it is not surprising that the largest markets in rough order of ranking are Canada, Japan, Britain, and Continental Europe.

You do not see many Third World countries on that list because of the low per capita income and low discretionary income. However, it would be misleading to assume that in fact, that's all the market there is. There are some very strange and unlikely places where some U.S. products and services are very well accepted.

If you go and walk down the Ginza in Tokyo, you will have to step out into the street because of the crowds lined up outside some of the U.S. fast food restaurants, waiting to be served there. If you walk through the streets of London you will see again and again the names of U.S. restaurants which are familiar. If you walk down the Champs Elysees in Paris, and if you don't mind having red wine with your hamburger you can eat at a U.S. fast food restaurant. If you come down the mountainside outside Kyoto, Japan, after you pass the monasteries you will run squarely into a Mr. Donut shop where you can begin your breakfast with a jelly donut if you choose. The fact is that all over the world you will find very substantial receptivity for U.S. products.

To the extent to which there is resistance to U.S. products and services, it does not arise from a ground swell of popular opinion. Instead, it is directed more from the top down rather than from the bottom up.

I see a good deal of concern particularly in developed countries regarding zoning and increasing environmental concerns. But it is certainly far less advanced there than here. In any event, that is not stemming from any riptide of public opinion. It arises from public positions taken by the government.

That really is the second part of your earlier question.

In general, the business climate

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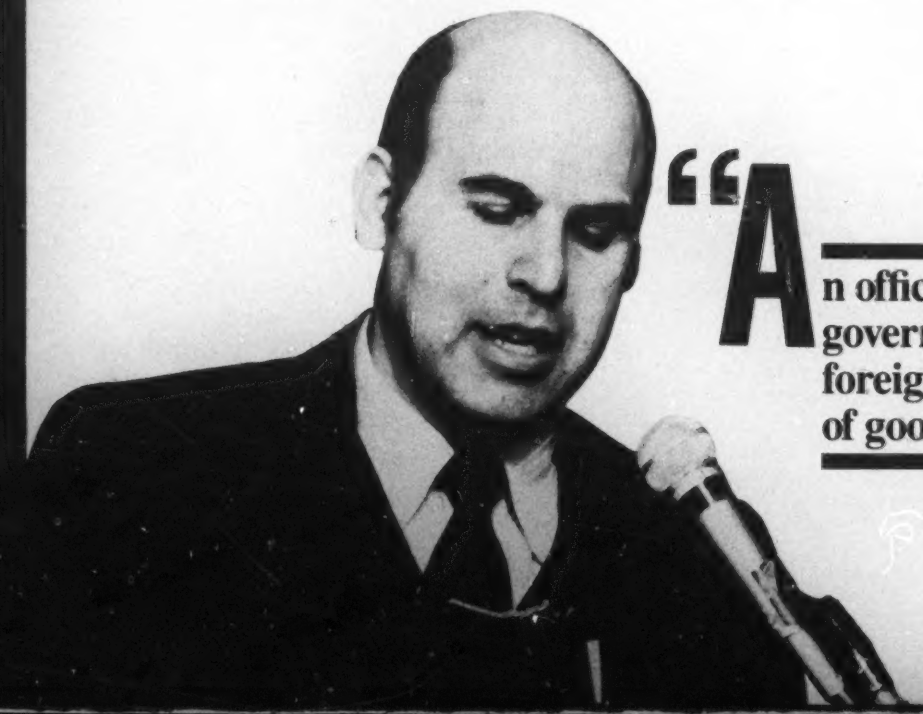

"An official concern of some governments is that 'crafty foreigners' are selling a bill of goods to the local people."

"Tell me when the U.N. will become an effective international peace-keeping body, and I'll tell you when we'll have effective international commercial standards."

for U.S. franchising is good in terms of the attitude of the foreign governments. They like the idea of foreign investment, so to the extent of which franchising by U.S. companies also entails some money flowing from abroad into those countries, that obviously is a result which they like.

To the extent to which there is official resistance, it really is a function of the characteristics of the particular country. If you're talking about a country which is very protective of its national workforce, then you are likely to find laws which, for example, limit the percentage of a business's employees who can be foreign; so if a country is thinking about sending over its own employees, it might have substantial trouble. If you're talking about a country which is suspicious of foreigners coming in and controlling the economy, you are likely to have foreign investment laws which limit the percentage of ownership of domestic companies which can be held by foreigners.

For instance, Canada has a Foreign Investment Review Act which prohibits the acquisition or control of any Canadian company by a foreign company, without the approval of the Canadian government. In Mexico and in many other countries, it's that way. I would say it's one of the factors which may well encourage franchising, because there you're not talking about U.S. ownership per se.

There is in the Latin American countries in particular—and in developing countries elsewhere in the world as well—a substantial government-imposed barrier arising out of so-called transfer of technology statutes. There we see an official concern that "crafty foreigners" are coming in and selling a bill of goods to local people in the opinion of the government.

Therefore, you have a governmental body seeking to take a look at a particular technology—whether it's a trademark, a service mark, a trade name, a special recipe or a secret sauce—and trying to make a judgment that this is only worth "X" dollars or "Y" pesos. They are fearful that you are overcharging compared to the value of that product to the locals.

That is also a form of nationalistic impulse, because what they are truly saying—although it's rarely spelled out this way—"We're not happy about the local people being sold foreign products and perhaps becoming even addicted to U.S. foods. We think that our own local foods are better for them." There is a paternalistic intrusiveness overseas which we are not accustomed to in this country.

Most countries have a favorable attitude toward foreign investment—they want more capital and a better balance-of-payments position.

The majority of developed countries take, at worst, a neutral attitude toward foreign businesses. Countries like England, France, Germany, and Switzerland treat foreign businesses generally on an equal basis with local businesses.

Some countries are very eager to attract foreign investment as an aid in overcoming economic problems,

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U.S. Restaurant Franchises Overseas
Number of Establishments

Location	1973	1974	1975	1976	1977	1978	1979	1980
Canada	1,082	860	940	1,047	1,074	1,196	1,383	1,227
Mexico	69	71	78	87	79	84	95	96
Caribbean	61	70	81	96	115	150	148	178
United Kingdom	375	429	408	433	421	454	494	511
Continental Europe	78	101	98	103	154	164	212	249
Australia	186	223	230	224	328	384	422	330
Japan	184	265	311	415	460	590	801	934
Other Asia	31	41	43	53	64	120	139	201
Other*	81	109	195	162	170	198	218	217
TOTAL	2,147	2,169	2,384	2,620	2,865	3,340	3,912	3,943

**Includes South America, Africa, New Zealand and Central America.*
Source: Franchising in the Economy *(U.S. Department of Commerce).*

such as high unemployment. This seems to be the case in, for example, Belgium and Italy. Countries like Sweden and Israel are anxious to move foreign businesses into the more remote parts of their territory.

Countries which have an unfavorable attitude toward foreign investment often are either less-developed countries, such as many Latin American countries, or countries like Canada and Australia which place restrictions on foreign investment principally as a way of maintaining control of their own economic resources.

Q: Can U.S. chains find adequate sources of supply abroad?

A: That is a problem, abroad, because American companies have to go through the process of approving sources, and sometimes it is difficult to find foreign sources of supply which meet the same requirements as U.S. companies would like to see. While it is a problem which is not easily soluble, it is far less of a problem than for the company which depends for the success of its venture on selling products to its own customers.

Most U.S. companies will, before entering into a venture, satisfy themselves that the sources of supply are adequate, or that it will be permissible to bring in particular products.

In many cases, they will do so by putting that burden on the subfranchisor or master franchisee to satisfy before they get themselves into a situation in which they've established a franchise abroad but it cannot be serviced with the necessary goods or support items.

In some cases, it's done by a joint venture between a U.S. company and a local manufacturer. There are several instances of that in which a local manufacturer has joint ventured with a company in the U.S., in some cases a company which is the traditional supplier of the franchisees of the U.S. franchisor.

Q: How does a U.S. restaurant chain go about entering a foreign market?

A: There are various techniques that may be available. You may want to try to license directly from the U.S. to a company to establish a facility abroad. You may want to establish a subsidiary or branch of your own company in that foreign country. You may want to establish a joint venture with a company in that foreign country. You may want to establish a franchise or license agreement with a master franchisee for the entire country or a part of it. You may want to establish a subfranchisor to sublicense in that country.

Which particular form of doing business you will select will be a mixture of business considerations, legal considerations, and other considerations—for example, transportation.

There are relatively few chains which want to set up a branch or a subsidiary to operate company restaurants in a foreign country for a variety of reasons.

If they do they are more likely to do so in countries which are nearby, such as Canada, Mexico, and the Caribbean basin generally. Simply in terms of distance, if you have a branch or subsidiary which you need to service in terms of personnel, etc., from the United States, it doesn't make an awful lot of sense to do that in Sydney, Australia. So for purposes of direct branch operations, you're probably talking about countries which are geographically closer, or with a large enough potential market to warrant the expense.

I would say that the vast percentage—at least 90 percent—of the U.S. restaurant operations abroad are in the form of franchising and frequently, a subfranchise or master franchisee arrangement. Roughly an equal number of the remainder are either joint-ventured or company-operated.

The problems with direct entry through a branch or subsidiary extend beyond the costs of distance. You've got the foreign investment

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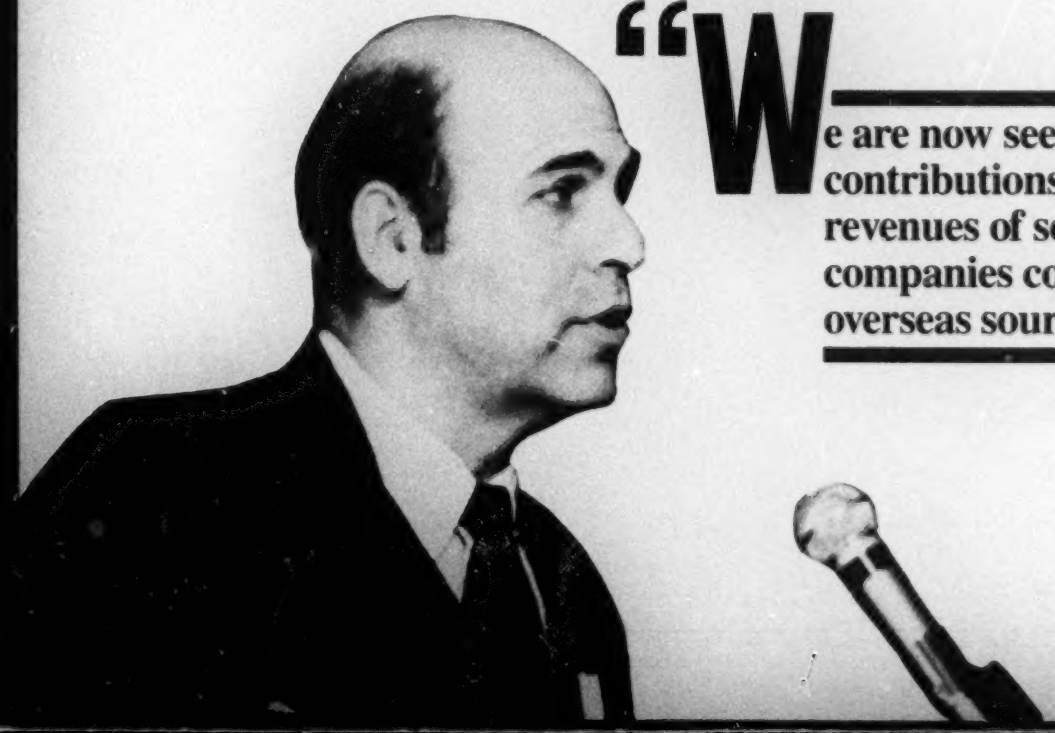

"We are now seeing substantial contributions to the revenues of some very large companies coming from overseas sources."

"In general, the business climate for U.S. franchising is good in terms of the attitude of the foreign governments. They like the idea of foreign investment."

laws, which may restrict you from being able to go in and control a company which is established in a foreign country.

Franchising is a good way to expand internationally for many reasons. First, you have a reduced amount of capital of your own that you've got to lay out. Second, you've shifted the responsibilities to somebody else, whether a franchisee or a subfranchisor, for his having to deal with the complexities of the foreign market, the complexities of the foreign legal requirements as well as adaptation to local needs in terms of change, and the mix of products, and so forth. Third, if things go badly, it's frankly a lot easier to get out than if you have your own company assets people, etc., which are in that country.

Q: What foreign franchise laws do U.S. franchisors face overseas? For instance, are there certain countries that require bonding, or certain monies to be put into escrow accounts?

A: There may be bonding requirements in a particular country but they are not common, and they are not unique to franchising. They don't speak in terms of franchising. They are unlike the state franchise laws in this country whick seek to assure a franchisee that services which have been promised to him by a franchisor will in fact be delivered to him before his money has been irrevocably turned over to the hands of the franchisor.

But there are, in effect, certain kinds of equivalents. For example, repatriation of profits is essentially a way of keeping in a foreign country money which the franchisor earned. Difficulties of currency exchange also operate in a sense to reach the same result: rendering what would otherwise be your revenue or profit less easily obtainable. But such barriers are not really related to franchising. They are related to broader issues of economic policies of those countries.

As far as protecting the foreign franchisee, some countries have termination indemnity laws, which sometimes are directed specifically at foreign—that is, U.S.—manufacturers and licensors.

These laws are comparable to U.S. state laws requiring "good cause" for terminating a franchisee; but they place a heavy burden on the franchisor to prove good cause, and they provide for rather substantial damages and penalties if the termination was without good cause.

These laws are common in Central and Latin American countries—Panama and Brazil are good examples. Closer to home, Puerto Rico has a similar termination law. Belgium also is noted for extending a great deal of protection to dealers in termination cases.

I don't think there's the impetus in foreign countries to protect franchisees because, at least when a U.S. company is licensing somebody, it tends to be a well-established, financially responsible company. It isn't just some retired schoolteacher putting his or her life-savings into a single unit.

Q: How difficult is it for American firms to transfer their foreign earnings to the U.S.?

A: Many countries impose controls on transfers of currency outside the country. Sometimes the controls consist of simply filling out forms, so that the national reserve bank or treasury has a record of the transactions.

In several countries, however, it is necessary to obtain prior government approval to take your capital or profits or royalties out of the country. In some cases, this is a very benign form of regulation: the country may be simply making a promise to you that you will be allowed to take your money out.

In many cases, however, the currency exchange regulation is more intrusive. For example, in Australia and New Zealand, the Reserve Banks will examine your license agreement to determine whether the fees and royalties are within the range permitted.

In Mexico and many Latin countries, government agencies review the fee and royalty arrangements to determine whether the amounts paid are "fair," that is, if they are an appropriate price for the services or trademark or technology which is being sold to their citizens. In those countries, there are ways of characterizing either the payments or the form of the relationship so as to get the maximum amount approved.

For example, in some cases you may be benefited by characterizing your charges as "service fees" rather than "royalties." Or you may set up a subsidiary so that the profits you take out of the country are called "dividends" rather than "royalties." Obviously, I'm oversimplifying to some extent.

In addition, there are U.S. companies which find ways to avoid the repatriation problem by, for example, using the money locally to establish company-owned outlets. That's a way in which you might very well be able to make legitimate use of the funds without having to deal with the laws which otherwise would prohibit you from taking the money out of that country.

If you have local costs in the foreign country, you can use pounds or francs or yen to pay for those debts without converting the money to dollars. Also, it would be possible to convert the local currency into goods and import the goods for use or resale in the United States. Similarly, you might be able to arrange to "swap" loans with another company that wants to dispose of dollars in return for foreign currency.

Q: What are some of the legal

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problems in doing business overseas?

A: There are two kinds of problems that a U.S. restaurant may face: laws that discriminate—deliberately or not—against foreign business; and laws that apply equally to local and foreign businesses. A U.S. company cannot do anything about the latter, but there may be ways to reduce the impact of the former.

In that regard, there is undergoing at this time, a very substantial review of foreign laws which discriminate against U.S. companies, and particularly, for the first time, companies in the service industries. Ambassador Bill Brock who's the U.S. Trade Representative, is leading an effort to survey foreign laws which discriminate against U.S. service exports.

The International Franchise Association for example, has made a presentation to the U.S. Trade Representative in an effort to identify those foreign laws which do discriminate against U.S. franchised operations, many of which are of course foodservice in nature.

There are certainly none which are designed specifically for the purpose of discriminating against U.S. franchise companies. It's just that there are several which have existed traditionally which have a special impact upon franchising.

The technology transfer laws are a classic example. If you have a country like Mexico, which says, we want to be sure that our citizens do not pay too much money for U.S. technology, and therefore you may not charge more than "X" percent royalty, or you may not have a contract that lasts for more than "Y" years, thereby locking up our citizens into a long-term contract—you have placed a significant burden upon the capacity of the U.S. franchisor to make an economically viable transaction with a Mexican franchisee.

Similarly, the permissiveness of foreign countries regarding trademark piracy, a far greater permissiveness than in the United States, was not designed as an anti-U.S., anti-franchising or anti-fast food maneuver. But obviously if the U.S. fast food franchisor finds that it cannot protect its service mark in some foreign country, then that is going to represent a substantial and formidable barrier to entering that country.

I recommend early and prompt registration of a mark, even before you are sure you're going to go in there, even if it requires an investment of money that could be "wasted" if you do not ultimately enter the country.

There is an excellent likelihood that, if you don't do that, by the time you get ready to do so someone is going to have registered your mark for the sole purpose of blackmailing you, in effect, by requiring you to buy him out. You need to observe whatever the laws of the particular country are regarding prior use, and the like.

Regarding laws that apply equally to local and foreign businesses, they may be difficult for U.S. companies to deal with because they impose different requirements than we are accustomed to in our domestic operations.

Let's take one example. Sweden has a food regulation law which regulates whatever is considered food: additives, foreign elements, packaged foods, food preparation, handling, marking, selling, personal hygiene, the general conditions of the marketplace, etc.

The supervision is executed by a

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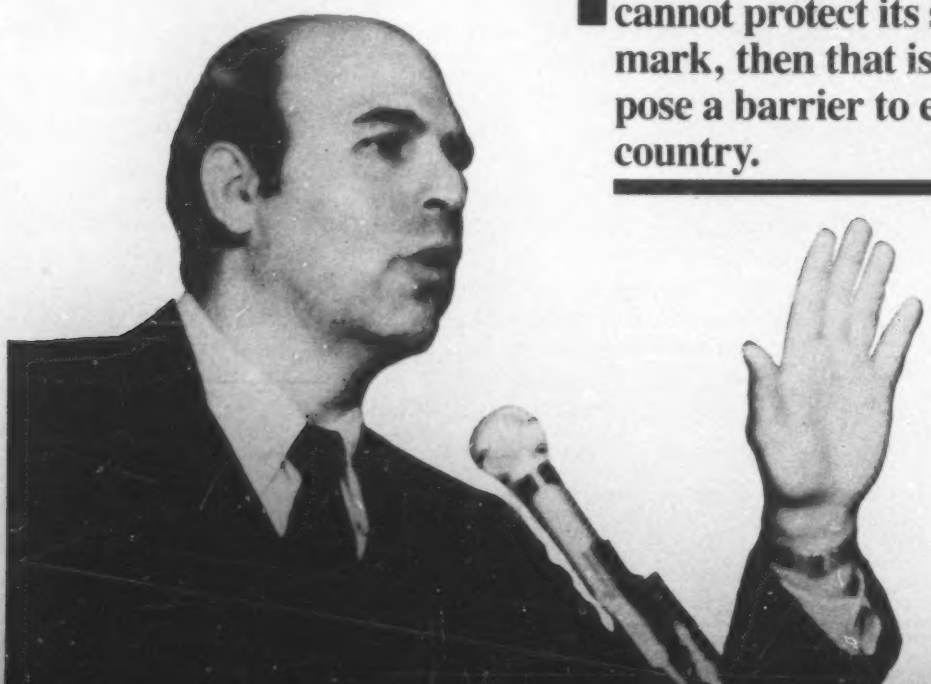
"If a U.S. fast food franchisor cannot protect its service mark, then that is going to pose a barrier to entering a country."



"We're beginning to see larger unit volumes overseas than in domestic markets, because the products of U.S. franchises are becoming so well accepted abroad."

federal food administration, a local administration, and immediate supervision executed by a health administration. Now that pattern is not all that different from what exists in the United States; but just because you meet the FDA rules in this country doesn't mean that you can simply superimpose your safeguard systems without change in Sweden. And the Swedish approach is not atypical of an industrialized country.

If you operate through subfranchising or master franchising, this is a responsibility which probably is going to be placed in the hands of the local subfranchisor or franchisee, because he can't operate unless he complies with those laws.

Similarly, in the area of packaging and labeling there may very well be a requirement which will impact on your non-U.S. operation.

In many cases, these problems are quite soluble. But it is true that U.S. companies have difficulties solving them because of a mindset that says: "We operate the same way in Maine as we operate in Texas, and by God, telling us to operate differently in some other country is offensive to us." It's just short sighted to approach it that way without really looking at the question of whether or not it can in fact be handled relatively easily, particularly if you deal with a subfranchisor, who's going to have the burden of complying in any event.

Q: Is there any movement toward the establishment of international standards in the area of commerce?

A: Increasingly, there are geographic and regional groupings which are moving toward common standards, such as the European Common Market, and the Andean Common Market. Similarly, for certain purposes we are moving slowly towards some common standards, as for example, international food safety standards, international trademark standards, and the metric system. But we are a long way from reaching that goal.

You tell me when the United Nations will become an effective international peace keeping body, and I'll tell you when we will have effective international commercial standards. But they'll come all the more quickly as people interact through trade.

Q: How can a U.S. firm learn about all these laws and other issues such as cultural and marketing factors to be considered when expanding overseas?

A: With regard to what are the most useful sources of information for U.S. franchisors, I concede to being not totally unbiased on the subject, because I've devoted a good part of the last three years to the development of what I believe will be the single most valuable source of information on that subject which exists anywhere in the world, and probably will exist for some time to come. That is a publication titled, *Survey of Foreign Laws and Regulations Affecting International Franchising.* It was published by the American Bar Association in August of this year, and is available for purchase from the ABA. (For a copy, contact: ABA, 1155 E. 60th St., Chicago, Ill. 60637.)

It was prepared by the Franchising Committee of the Antitrust Section of the ABA, which I had the privilege of chairing during its first three years of existence.

One of our principal projects during that time was to create a compilation of laws, regulations, mores, business attitudes and a variety of other items of information of consequence to any U.S. company seeking to expand almost anywhere. We proceeded by questioning virtually every U.S. franchisor as to the countries in which he was most interested in expanding.

On the basis of that, plus other empirical information, we selected 20 foreign countries which appeared to be those in which U.S. franchisors most wished to expand. Through a variety of other techniques, we found the single individual in each of those countries who most reliably could advise with respect to how one would enter through franchising.

We prepared a standard format which essentially asked every question you would want answered if you planned to expand into any foreign country. On the basis of that questionnaire, we produced a volume which runs well over a thousand pages, and which deals with every major industrialized country.

I don't think it will be possible in the future to proceed intelligently without resort to that publication as your first line of attack.

The most useful, accessible, and economical source for information about marketing in foreign countries is the U.S. Department of Commerce. The Commerce Department has responsibility for coordinating international trade activities of the U.S. government.

Here in Washington, Commerce has "country experts" for virtually every country in the world. You can easily telephone these individuals; and they can provide you with written and oral information, contacts in foreign countries, and any other basic directions.

I recommend all of the various reference materials published by the Department of Commerce, which, incidentally, has field offices all over the United States and which has placed foreign commercial officers in many of our embassies.

Besides government sources, there are numerous private consulting firms, some of which actually specialize in international restaurant marketing. These firms are not limited to the United States.

The most important point to be made here is that for a U.S. company that wants to expand abroad, preparation is everything. □

A BNA PUBLICATION FOR FOODS

Restaurant Business

MARCH 1, 1987

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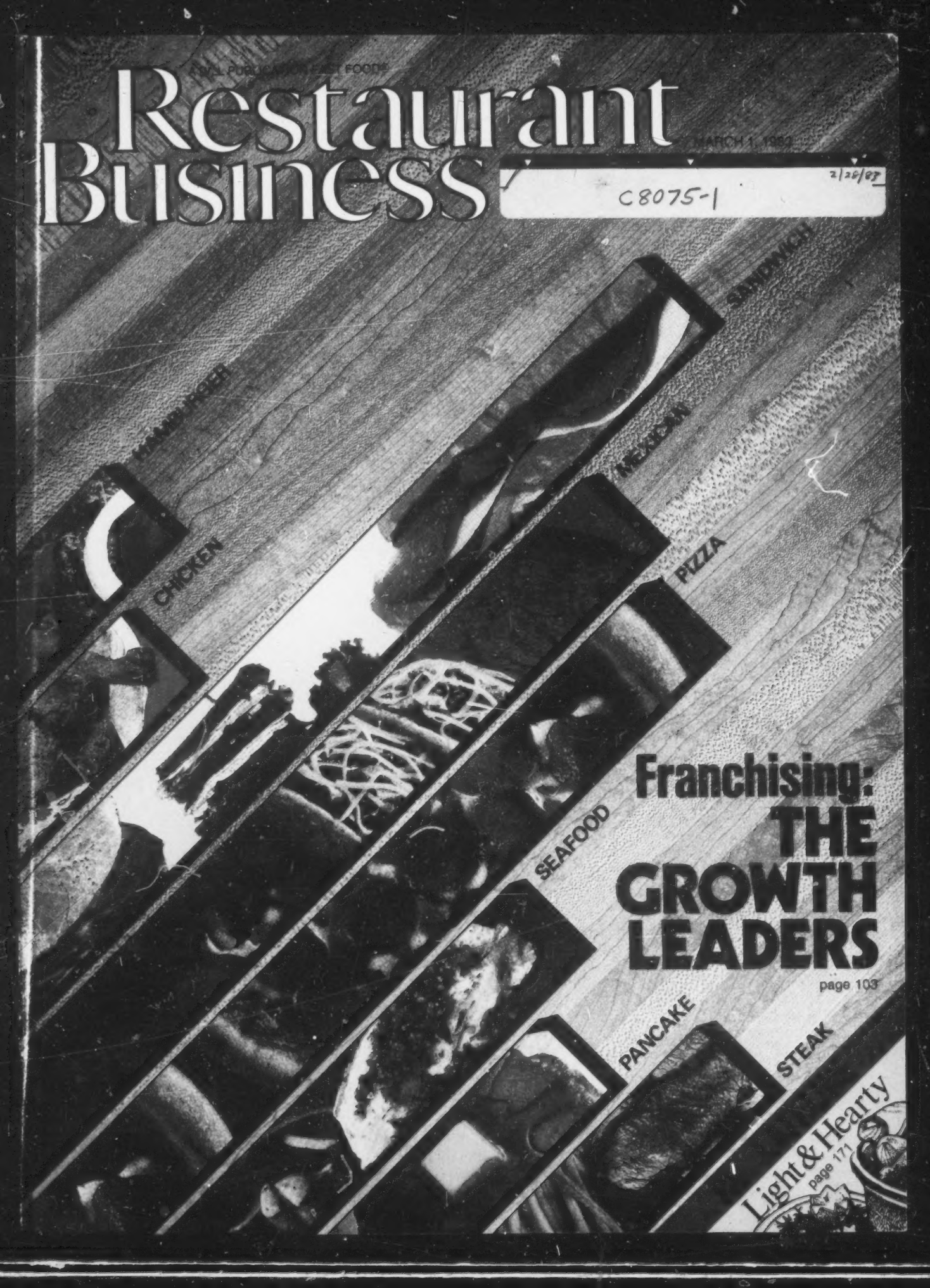

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Restaurant Business

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COVER STORY Franchising: The growth leaders

Restaurant Business' 18th annual franchising issue presents an in-depth analysis of each market segment. As the graph on the cover shows, the sandwich segment—although the smallest—has experienced the greatest growth over the last five years. On the other hand, the hamburger segment, which accounts for 48 percent of restaurant franchising revenues, grew at a much smaller rate. Why? What's really happening in each segment? Who are the growth leaders? 103

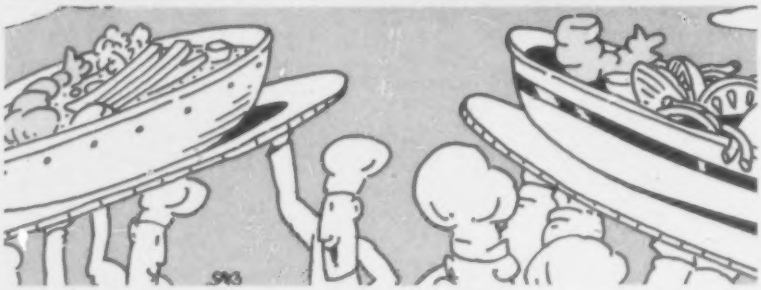
Restaurant franchising in the economy
Our comprehensive franchising report also features the sales data just released by the U.S. Department of Commerce and prepared by Andrew Kostecka 135

Reprints of the 18th annual franchising issue are available for $3 each. Write: Editor, *Restaurant Business* Magazine, 633 Third Ave., New York, N.Y. 10017.

FEATURES

Brown's Chicken
One innovative franchisee in Chicago has transformed a typical fast food Brown's unit into an upscale restaurant with the highest sales volume systemwide 87

Sizzler
Declaring war on underperformance, this 442-unit chain has instituted Operation Pride, a comprehensive program to upgrade service, decor, and product quality 94



MENU IDEAS

Light and hearty
Satisfying these two appetites can be done easily and economically, while maintaining a trendy menu, as food editor Kathleen Kenny Sanderson proves this month in the *Restaurant Business* Test Kitchen 171

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Cover photo by Don Kushnik; Design by Joan Dworkin.

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Franchising: THE GROWTH LEADERS

The 18th Annual Franchising Issue compiled by the editors of *Restaurant Business* features a comprehensive analysis of the growth leaders in each segment of the market. Over the past five years, the sandwich segment, (pg. 122) although one of the smallest, posted the highest growth rate—217 percent. Other segment profiles include: hamburger, steak, chicken, pizza, Mexican, seafood, pancake, donut and ice cream. This special report also includes current data on restaurant franchising just released by the U.S. Department of Commerce (page 135), plus a listing of the Top 30 franchise systems according to sales and units (page 138).

ICE CREAM

Major chains in the ice cream segment—which posted an increase in sales of 131 percent over the past five years—are planning no dramatic shift in their marketing strategies during 1983. Most chains will continue to franchise aggressively; others are introducing new items in response to consumer demand for "gourmet" ice cream products.

While two leading chains have concocted new confections, these companies don't appear to feel threatened by Haagen-Dazs, the New Jersey-based ice cream manufacturer, which started the gourmet ice cream trend.

International Dairy Queen, which controls 40 percent of the frozen dairy dessert market and posted sales of over $1 billion last year, will introduce "Queen's Choice," a premium hard ice cream, this spring.

Says president Harris Cooper: "Research and test results indicated to IDQ officials that the chain could attract a new segment of the customer base by offering a choice between soft serve and hard ice cream."

"Queen's Choice," introduced to franchisees in the fall, will be available in eight flavors.

Approximately 300 of DQ's 4,800 units serve exclusively frozen dairy desserts. The company is neither emphasizing nor de-emphasizing development of the specialty stores, according to Cooper. A unit's menu depends on location and traffic count.

Phoenix-based Swenson's, with systemwide sales in 1982 of almost $87 million, is testing an "ultra-premium" ice cream with 16 to 18 percent butterfat, reports Howard Englehart, vice president of marketing. Flavors are French vanilla, chocolate, strawberry, chocolate almond, chocolate chip and chocolate-chocolate chip. Swenson's will use larger pieces of chocolate and whole almonds in the ice cream, which will sell for an estimated 20 to 25 cents more per single quarter pound cone.

Swenson's, with 290 stores in the U.S. and 57 in foreign countries (260 franchised), plans to open 50 to 60 new units in 1983.

Because of the relatively low investment required for an ice cream store, most franchisors haven't notably been affected by the money crunch of recent years.

At Swenson's, however, a franchisee's first store must be an expensive 2,500 sq. ft. unit costing in the neighborhood of $400,000 for an in-line location, where ice cream is manufactured and supplied to smaller units owned by the same franchisee. Therefore, Swenson's is developing a prototype of a base store requiring a smaller investment in leasehold improvements and equipment.

Haagen-Dazs, with its many varieties of rich, high-priced "gourmet" ice cream, is still expanding. Haagen-Dazs ice cream contains about 15 percent butterfat, which helps give it a rich taste and smooth texture. The ice cream has a minimum of air whipped into it, so a gallon weighs 7.7 lbs. compared to the legal minimum of 4.5 lbs. per gallon.

Haagen-Dazs growth is strictly through franchising. The chain now has 210 stores nationwide. Ninety opened in the last 18 months and 55 stores are currently under construction. Franchise costs range from $95,000 to $130,000.

Sky Chefs recently purchased the exclusive franchise rights to Haagen-Dazs ice cream units in airport terminals. Sky Chef executives expect some units to gross as much as $1 million annually.

Haagen-Dazs doesn't charge a royalty fee. (Neither does Baskin Robbins with 2,748 stores).

Unlike Haagen-Dazs, Baskin-Robbins builds all its own stores, and then sells the business and the equipment to a franchisee at a cost of between $80,000 and $100,000. The company has made no attempt to help franchisees with financing, but that hasn't caused slackened interest. A total of 140 units will open in 1983, including properties in Singapore and Hong Kong. The goal is to franchise all of them.

Executives at Bresler's 33 Flavors, based in Chicago, are also optimistic about the future of ice cream shops, and consider ice cream stores virtually recession–proof. "Nobody is going to say they can't afford an ice cream cone," says Howard Marx, assistant director of franchising.

Marx says that Bresler's is very conservative and, in 1983, will add between 40 and 50 new units to its 370 existing units, all of which are franchised. A Bresler's franchise costs between $80,000 and $90,000, depending on the location, and the company requires a royalty of six percent of gross sales.

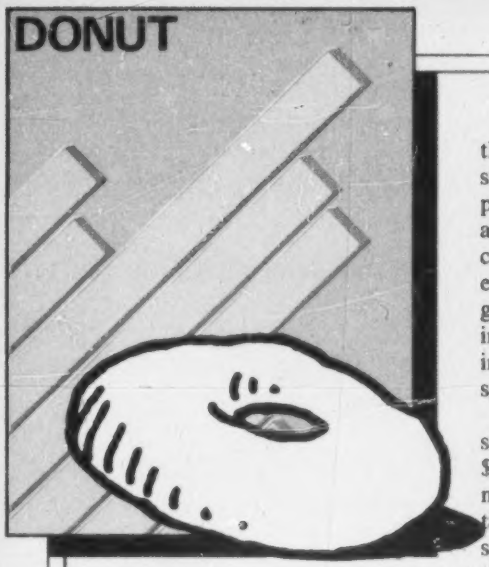
Marx seems to sum up the feelings of all the ice cream franchisors contacted when he says, "We are, and will remain, an ice cream store, though we're looking at all the ways that ice cream can be adapted with imagination and creativity."

—Jacque White

ICE CREAM STORES *(28 franchisors)*

	Sales ($000)			Units		
	Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
1981	793,518	25,010	768,508	5,427	135	5,292
1982*	862,645	30,588	832,057	5,755	155	5,600
1983*	963,922	35,492	928,430	6,259	172	6,087

*Estimated by respondents.



At the center of donut franchising today is overseas expansion. Mr. Donut, an International Multifoods subsidiary, has moved ambitiously into the international market, followed by major domestic rival Dunkin' Donuts.

Almost half the stores in the 874-unit Mr. Donut system are located outside the United States, while 70 Dunkin' Donuts have gone abroad. Both chains' international operations are largely concentrated in Japan, with units also in Canada, Thailand, the Philippines, Puerto Rico, and the Virgin Islands.

Robert M. Rosenberg, president of the 1,184-unit Dunkin' Donuts system, reports that unit volumes abroad are 50 to 100 percent higher than the U.S. store average of $335,000 annually. The company will continue operating out of its Pacific base, and is also looking to expand into Central and South America.

Domestically, according to Rosenberg, the company is planning expansion in its traditional markets, such as the East. Oregon and New Mexico have been targeted as new growth areas. While territorial licenses are favored in developing markets abroad, only individual franchises for the Dunkin' Donuts concept are available on the home front, though many of the latter expand into multi-unit operations.

Dunkin' Donuts systemwide sales increased 9.5 percent in 1982, to $435 million. Rosenberg attributes this sales growth to a five-point strategy, comprising the following programs: additional investments in advertising on the part of both the company and its franchisees; accelerated expansion; a remodeling program; introduction of new products, including cookies and brownies; and improved operations, including a systemwide inspection program.

The boosted advertising program should allow the company to spend $100 million on advertising over the next five years, with the major portion of it allocated for television spots. Franchisee contributions to the advertising fund have been upped from two percent to 4.2 percent of sales in the first year of business, 4.9 percent of sales thereafter. Rosenberg notes that some of the money will also be devoted to development of new products.

Under the remodeling program, 42 percent of the chain's franchisees have converted their units, at an average cost of $50,000. "The converted stores are outperforming others in the system by about eight percent," Rosenberg asserts.

He is reluctant to comment on a class action suit that was recently filed against the company by a franchisee in Chicago. The suit, which alleges irregularities in corporate financial statements and company harassment of franchisees, is similar to one filed in New Jersey several years ago, which was dismissed.

Slowing growth in donut sales (estimated to hit $788 million in '83) has been attributed to increased competition, particularly from the on-premise baking operations now found in almost 30 percent of supermarkets nationwide.

Despite the apparently "recession-proof" aspects of operations catering to customers seeking a product that's quickly served, filling and low-priced, expansion is proving difficult for most franchised donut chains in the U.S. Few, other than Dunkin' Donuts and Mr. Donut, break 100 in number of units.

One small chain that has managed to pull out of a 1977 tailspin into Chapter XI is Spudnuts, a system based in Salt Lake City, Utah. Reduced from a high of 700 units to 40 (linked to the franchisor only through purchase of its proprietary products, which incorporate potato flour), the bankrupt company was sold, then refinanced in 1978 to offer what Fred Phelan, Spudnuts' president, terms "a model franchising system:" a new concept and franchise package with turnkey operations, including production, bookkeeping and marketing services.

Spudnuts franchise operations range from $70,000 to $325,000 depending on site, and call for a five percent royalty and two percent advertising contribution. Spudnuts now operates a core of three company stores and has 10 new franchisees. Unit volumes have been averaging $300,000 annually, as opposed to $220,000 under the product-only arrangement.

Like its larger competitors, Spudnuts has introduced a line of soups, which vary according to region, as well as a muffin product called a "Spuffin". An unsuccessful experiment with croissants has not deterred the company from continuing to develop new products, which Phelan describes as "extremely tasty 'finger foods' that can be mass-produced." The company is seeking to grow through territorial franchisees, in regions that include Ohio and Western Pennsylvania, California, Florida, and the area around Salt Lake City. —Mary Timmins

DONUT SHOPS *(22 franchisors)*

	Sales ($000)			Units		
	Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
1981	649,404	81,011	568,393	2,218	222	1,996
1982*	706,724	92,603	614,121	2,305	225	2,080
1983*	787,635	99,455	688,180	2,476	235	2,241

*Estimated by respondents.

For information circle number 108 →

Restaurant franchising in the economy

Franchising has been called the last and best hope for independent business in an era of growing vertical integration. It helps small businesses compete with the giants. The following study—Franchising in the Economy, 1981-83—presents sales and statistical data about franchising just released by the U.S. Department of Commerce. The report was prepared by Andrew Kostecka.

Franchising has made great strides in the United States during the past 10 years and because of its proven successful system of doing business, American style franchising has also taken hold throughout the world. Franchising has been called the last and best hope for independent business in an era of growing vertical integration. It helps small businesses compete with the giants, since franchisees have a good chance to survive and prosper using the franchisor's know-how and trademark or service mark; it also offers a unique opportunity to people with limited capital and experience.

The United States is the world's largest economy, the world's biggest market, and the world's leading exporter and importer. The system of franchising plays a significant part in that enviable position. Franchising has grown into a dynamic and mature business activity, increasingly accepted and respected by the public, by all levels of government, and by other areas of the private sector.

Sales growth has been steady, employment is on the rise, and movement into foreign markets by U.S. franchisors has accelerated. More than 1,800 companies, representing over 40 broad economic sectors, use the franchise method to distribute their goods or services.

A franchising business generally develops into an organization consisting of supporting units, created and administered by the franchisor, designed to expand the distribution of products or services of uniform quality, format, and technique. The remarkable thing about franchising is that it is probably the only form of business entity that, by its very nature, contributes to the creation of new business units.

Sales of all U.S. goods and services by all franchising companies are expected to reach $436 billion in 1983, an increase of 13 percent over the estimated sales reported for 1982, while the number of establishments will reach 465,000 in 1983, up from 448,000 in 1982. Employment in franchising, including part-time workers and working proprietors, was 4.9 million in 1981, probably reaching more than 5.2 million by the end of 1983.

Product and trade name

Traditional types of franchising, otherwise known as product and trade name franchising, consist, primarily, of product distribution arrangements in which the franchisee is to some degree identified with a manufacturer's supplies. Typical of this segment are automobile and truck dealers, gasoline service stations, and soft drink bottlers. Together they dominate the franchise field, accounting for an estimated 74 percent of franchise sales in '83.

Total sales by product and trade name franchisors are expected to reach an estimated $324 billion in 1983 compared with $287 billion in 1982 and $276 billion in 1981. The number of establishments, however, is expected to decline in 1983 to 168,000 from 174,000 in 1982 and 182,000 in 1981, mainly due to closing of gasoline stations and automobile and truck dealerships.

Business format franchising

Business format franchising is characterized by an ongoing business relationship between franchisor

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and franchisee that includes not only the product, service, and trademark, but the entire business format itself—a marketing strategy and plan, operating manuals and standards, quality control, and continuing two-way communications. Restaurants, non-food retailing, personal and business services, rental services, real estate services and a long list of other service businesses fall into the category of business format franchising. Business format franchising has been responsible for much of the growth of franchising in the United States since 1950.

Sales of business format franchisors are expected to be around $111 billion in 1983 compared with $99 billion in 1982 and $89 billion in 1981. In contrast to product and trade name franchises, the number of establishments of business format franchises is expected to increase to almost 297,000 in 1983 from about 261,000 units in 1981.

Large franchisors, those with 1,000 or more units each, continue to dominate business format franchising, with 57 companies accounting for 53 percent of all sales and for 55 percent of all establishments in 1981. The total number of outlets reported by these large franchisors stood at 142,148 with sales of $47 billion. Thirteen of these large franchisors were engaged in restaurants and 12 were in automotive products and services.

RESTAURANT FRANCHISING, 1981-1983
Sales

Major Activity	Firms	1981		
		Total	Company-Owned	Franchisee-Owned
Chicken	30	$ 2,833,007	$ 951,719	$ 1,881,288
Hamburgers, Franks, Roast Beef, etc.	107	14,327,705	4,045,912	10,281,793
Pizza	94	3,169,601	1,168,509	2,001,092
Mexican (Taco, etc.)	33	1,069,712	490,134	579,578
Seafood	13	888,491	479,506	408,985
Pancakes, Waffles	15	847,650	275,201	572,449
Steak, Full Menu	109	6,566,702	3,311,457	3,255,245
Sandwich and Other	39	339,480	60,768	278,712
Total	440	30,042,348	10,783,206	19,259,142

Data estimated by respondents for 1982 and 1983

RESTAURANT FRANCHISING, 1981-1983
Number of Units

Major Activity	Firms	1981		
		Total	Company-Owned	Franchisee-Owned
Chicken	30	7,388	2,249	5,139
Hamburgers, Franks, Roast Beef, etc.	107	26,945	5,926	21,019
Pizza	94	9,695	3,540	6,155
Mexican (Taco, etc.)	33	3,002	1,320	1,682
Seafood	13	2,226	1,151	1,075
Pancakes, Waffles	15	1,500	527	973
Steak, Full Menu	109	9,406	4,297	5,109
Sandwich and Other	39	1,684	345	1,339
Total	440	61,846	19,355	42,491

Data estimated by respondents for 1982 and 1983

U.S. FRANCHISED RESTAURANTS, 1981-1983 SUMMARY

Item	1981	1982	1983	Percent Changes	
				1981-82	1982-83
Company-owned	19,355	20,394	21,883	5.4	7.3
Franchisee-owned	42,491	44,757	48,379	5.3	8.1
Total number of establishments:	61,846	65,151	70,262	5.3	7.8
Company-owned	10,783,206	12,022,567	14,267,152	11.5	18.7
Franchisee-owned	19,259,142	21,569,454	24,116,024	12.0	11.8
Total sales of products and services: ($000)	30,042,348	33,592,021	38,383,176	11.8	14.3
Merchandise (non-food) for resale	50,132	53,078	57,284	5.9	7.9
Supplies (such as paper goods, etc.)	244,587	259,283	271,999	6.0	4.9
Food ingredients	487,277	560,249	677,862	15.0	21.0
Other	42,285	51,305	63,785	21.3	24.3
Total sales of products and services by franchisors to franchisees: ($000)	824,281	923,915	1,070,930	12.1	15.9

Data estimated by respondents for 1982 and 1983

1982			1983		
Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
$ 3,308,001	$ 1,105,190	$ 2,202,811	$ 3,958,399	$ 1,303,465	$ 2,654,934
15,990,765	4,471,280	11,519,485	18,100,598	5,627,921	12,472,677
3,605,807	1,334,701	2,271,106	4,159,594	1,533,203	2,626,391
1,305,277	609,085	696,192	1,576,110	717,089	859,021
1,027,226	569,082	458,144	1,211,391	679,443	531,948
913,320	294,020	619,300	1,009,825	320,375	689,450
7,043,017	3,567,706	3,475,311	7,849,159	4,002,831	3,846,328
398,608	71,503	327,105	518,100	82,825	435,275
33,592,021	12,022,567	21,569,454	38,383,176	14,267,152	24,116,024

1982			1983		
Total	Company-Owned	Franchisee-Owned	Total	Company-Owned	Franchisee-Owned
7,915	2,517	5,398	8,683	2,878	5,805
27,943	6,163	21,780	29,600	6,545	23,055
10,536	3,777	6,759	11,593	4,035	7,558
3,250	1,412	1,838	3,620	1,519	2,101
2,428	1,275	1,153	2,630	1,393	1,237
1,548	536	1,012	1,630	559	1,071
9,648	4,347	5,301	10,240	4,552	5,688
1,883	367	1,516	2,266	402	1,864
65,151	20,394	44,757	70,262	21,883	48,379

Sales of products and services by business format franchisors to their franchisees totaled $6 billion in 1981 and might rise to about $8 billion by 1983. Franchisor sales of merchandise for resale were largest in the non-food retailing category—$2 billion for 1981—followed by automotive products and services at $1.8 billion. Franchising sales of food ingredients amounted to $1.2 billion in 1981 of which $487 million went to restaurants and $594 million to food retailers other than convenience stores.

Trends

Intensified competition between the so-called fast food outlets and more leisurely types of restaurant facilities will persist while sit-down gourmet-type food franchise restaurants and ethnic and health foods will continue to grow. More and more franchisors will encourage customers to eat breakfast in their establishments in order to maximize store facilities and strengthen profits. There will be increased movement to locate restaurants with units of less than full size in high population areas with take-out and drive-through services. More use of computers will be seen in franchised restaurants to speed up customers' orders.

Bankruptcies of small independent businesses in 1982 were the highest since the early 1930's. As a consequence, such businesses plus many existing retail chains are looking for new methods of distribution and turning in greater numbers to franchising. There should, therefore, be a proliferation of service industry franchises similar to the real estate concept in such areas as financial counselling services, home repair, insurance, legal service centers, accounting services, medical services, dental clinics, and business brokers.

Franchises that specialize in health improvement, such as weight reduction centers, figure control salons, smoking control centers and exercise studios will grow in number and sales volume. Another area which is bullish on franchising is the computer industry, including hardware, software, and counselling services. Franchised safe deposit locations are springing up around the country as the demand for security boxes spreads.

For the 10-year period ending in 1982, there was a net gain of over 72,000 units in business format franchising, while gross sales grew by over 200 percent in current dollars. Over the next several years, it is estimated that in business format franchising the net annual rate of growth in units and sales will be about 8 and 12 percent, respectively. Also, the net growth rate of franchisors entering the system will average about five percent annually.

During 1983, state franchise law administrators are expected to reconsider current disclosure requirements concerning earnings information and other historical information about franchises. Some state legislatures will continue to address termination, nonrenewal, and transfer issues, while others will begin to reexamine their state business opportunity laws. But for 1983, at least, state legislatures are expected to defer to the Federal Trade Commission franchise disclosure rule. Shrinking budgets will force the states to avoid serious consideration of additional franchise registration and disclosure laws.

International markets

Expansion into foreign markets by U.S. franchisors continues as these markets exhibit an active and persistent demand for a variety of

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TOP 30 FRANCHISE RESTAURANT SYSTEMS

1981-82 systemwide sales by company and franchise (sales in millions of dollars)

Franchise system	1981		1982		'81-'82 % Change
McDonald's	$7,129.	(1,915.9c/5213.1f)	$7,809.	(2,094c/5,715f)	10
Kentucky Fried Chicken*	$2,195.	(552c/1,643f)	$2,388.	(663c/1,725f)	9
Burger King*	$2,135.	(351c/1,784f)	$2,357.	(387c/1,970f)	11
Wendy's	$1,424.2	(440.2c/984f)	$1,638.**	(508c/1,130f)	15
Pizza Hut	$1,247.	(588c/659f)**	$1,405.**	(715c/690f)	13
International Dairy Queen*	$1,125.	(2c/1,123f)	$1,198.	(2c/1,196f)	6
Hardee's*	$ 911.	(328c/583f)**	$1,150.	(414c/736f)**	26
Big Boy	$ 845.	(175c/670f)**	$ 940.	(195c/745f)**	11
Arby's	$ 527.7	(60.5c/467.2f)	$ 577.8	(72.1c/505.7f)	10
Western Sizzlin'*	$ 466.**	(4.7c/461.3f)	$ 548.**	(3.8c/544.2f)	18
Taco Bell	$ 464.**	(240c/224f)	$ 529.**	(275c/254f)	14
Ponderosa*	$ 487.1	(334c/153.1f)	$ 516.6	(360.5c/156.1f)	6
Long John Silver's*	$ 463.9	(275.9c/188f)	$ 516.	(314.9c/201.1f)	11
Church's	$ 512.	(408.6c/103.4f)	$ 504.2	(413c/91.2f)	(2)
Jack In The Box*	$ 455.	(455c,0f)	$ 485.**	(478c/7f)	7
Howard Johnson's*	$ 473.**	(347c/126f)	$ 452.**	(327c/125f)	(4)
Dunkin' Donuts*	$ 390.	(24c/366f)	$ 435.	(23c/412f)	12
Baskin Robbins	$ 370.**	(0.5c/369.5f)	$ 423.	(0.6c/422.4f)	14
Bonanza	$ 374.8	(0c/374.8f)	$ 366.	(0c/366f)	(2)
Burger Chef*	$ 340.	(123c/217f)	$ 348.	(125c/223f)**	2
Sizzler*	$ 295.7	(94.1c/201.6f)	$ 323.9	(104.5c/219.4f)	10
Godfather's Pizza	$ 255.	(18.9c/236.1f)	$ 311.**	(23c/288f)	22
Sonic Drive Ins*	$ 285.	(25.5c/259.5f)	$ 274.7	(24.7c/250f)	(4)
Perkins' Cake & Steak	$ 266.	(87.9c/178.1f)**	$ 264.	(92c/172f)	(1)
Roy Rogers	$ 208.**	(155c/53f)	$ 256.**	(189.4c/66.6f)	23
Domino's Pizza	$ 154	(55.4c/98.6f)	$ 256.	(92.2c/163.8f)	66
Mr. Donut*	$ 243.5	(0c/243.5f)	$ 248.**	(0c/248f)	(2)
Pizza Inn	$ 213.4	(106.7c/106.6f)	$ 227.	(102c/125f)	6
Captain D's	$ 177.5	(96.8c/80.7f)	$ 222.	(103c/119f)	26
Shakey's*	$ 190.2	(15.7c/174.5f)	$ 200.	(14.6c/185.4f)	5

1981-82 systemwide units by company and franchise

Franchise system	1981		1982		'81-'82 % Change
McDonald's	6,739	(1,746c/4,993f)	7,259	(2,085c/5,444f)**	8
Kentucky Fried Chicken*	5,709	(1,196c/4,513f)	5,744	(1,388c/4,356f)	0.6
Burger King*	3,022	(451c/2,571f)	3,255	(457c/2,798f)	8
Wendy's	2,229	(748c/1,481f)	2,444	(831c/1,613f)	10
Pizza Hut	3,988	(2,039c/1,949f)	4,076	(2,072c/2,014f)**	2.5
International Dairy Queen*	4,780	(6c/4,774f)	4,754	(6c/4,748f)	(0.5)
Hardee's*	1,379	(531c/848f)	1,465	(555c/910f)	6
Big Boy	1,165	(210c/955f)	1,180	(211c/969f)	1
Arby's	1,146	(122c/1,024f)	1,218	(150c/1,068f)	6
Western Sizzlin'*	580	(5c/575f)	575	(4c/571f)	0.8
Taco Bell	1,396	(810c/586f)	1,514	(814c/700f)	9
Ponderosa*	698	(462c/236f)	691	(459c/232f)	(1)
Long John Silver's*	1,125	(651c/474f)	1,247	(738c/509f)	11
Church's	1,363	(1,052c/311f)	1,317	(1,075c/242f)	(3)
Jack In The Box*	806	(806c/0f)	784	(764c/20f)	(3)
Howard Johnson's*	843	(627c/216f)	805	(587c/218f)	(5)
Dunkin' Donuts*	1,155	(68c/1,087f)	1,184	(60c/1,124f)	3
Baskin Robbins	2,645	(3c/2,642f)	2,770	(3c/2,767f)	5
Bonanza	630	(0c/630f)	577	(0c/577f)	(8)
Burger Chef*	725	(258c/467f)	700	(250c/450f)	(3)
Sizzler*	478	(137c/341f)	448	(133c/315f)	(6)
Godfather's Pizza	636	(54c/582f)	788	(58c/730f)	24
Sonic Drive Ins*	1,046	(115c/931f)	1,000	(114c/886f)	(4)
Perkins' Cake & Steak	341	(101c/240f)	311	(94c/217f)	(9)
Roy Rogers	335	(238c/97f)	438	(326c/112f)	31
Domino's Pizza	582	(195c/387f)	832	(285c/547f)	43
Mr. Donut*	891	(0c/891f)	881	(0c/881f)	(1)
Pizza Inn	735	(317c/418f)	716	(272c/444f)	(2)
Shakey's*	448	(41c/407f)	449	(46c/403f)	0.2
Captain D's	359	(176c/183f)	405	(211c/194f)	13

*Fiscal year-end results (remainder are calendar year-end results)

**Estimated by Restaurant Business

Source: Restaurant Business

For information circle number 64➔

consumer goods and services. The growth of modern communication networks and improved transportation networks have helped to narrow the gap in consumer tastes around the world and have made distant neighbors more aware of American style franchising.

Compared to other service sectors, the problems of franchise companies in accomplishing international transactions, while substantial, are relatively less formidable. Franchisors must comply with the same local requirements as domestic businesses and the franchise agreements must comply with local contract laws, antitrust laws, and trademark licensing laws. There are no national laws restricting franchising per se. However, other laws and regulations governing international business transactions apply which could inhibit franchising activities.

Franchisors in other countries are also penetrating international markets, especially the attractive U.S. market which has become a high-priority target for franchisors from Canada, Mexico, Japan, the United Kingdom and Continental European countries.

The Department of Commerce survey reveals that 288 U.S. franchising companies operated 21,416

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RESTAURANT FRANCHISING
GROWTH IN SALES, 1977-1982
(SALES:$000)

Major Activity	Total Sales			Company-owned			Franchisee-owned		
	$ 1977	$ 1982	% Change	$ 1977	$ 1982	% Change	$ 1977	$ 1982	% Change
Chicken	2,088,861	3,308,001	58	569,167	1,105,190	94	1,519,694	2,202,811	45
Hamburgers, Franks, Roast Beef	9,100,843	15,990,765	76	2,242,204	4,471,280	99	6,858,639	11,519,485	68
Pizza	1,416,254	3,605,807	155	556,053	1,334,701	140	860,201	2,271,106	164
Mexican	495,043	1,305,277	164	238,250	609,085	156	256,793	696,192	171
Seafood	579,067	1,027,226	77	224,775	569,082	153	354,292	458,144	29
Pancakes, Waffles	552,112	913,320	65	103,530	294,020	184	448,582	619,300	38
Steak, Full Menu	3,822,634	7,043,017	84	1,703,461	3,567,706	109	2,119,173	3,475,311	64
Sandwich and Other	125,590	398,608	217	15,720	71,503	355	109,870	327,105	198
Total	18,180,404	33,592,021	85	5,653,160	12,022,567	113	12,527,244	21,569,454	72

Estimated by survey respondents for 1982

Source: U.S. Dept. of Commerce, Restaurant Business

RESTAURANT FRANCHISING
GROWTH IN UNITS, 1977-1982

Major Activity	Total Units			Company-owned			Franchisee-owned		
	1977	1982	% Change	1977	1982	% Change	1977	1982	% Change
Chicken	6,437	7,915	23	1,729	2,517	46	4,708	5,398	15
Hamburgers, Franks, Roast Beef	24,822	27,943	13	4,293	6,163	44	20,529	21,780	6
Pizza	6,759	10,536	56	2,756	3,777	37	4,003	6,759	69
Mexican	2,147	3,250	51	1,300	1,412	9	847	1,838	117
Seafood	2,347	2,428	3	878	1,275	45	1,469	1,153	(22)
Pancakes, Waffles	1,353	1,548	14	273	536	96	1,080	1,012	(6)
Steak, Full Menu	7,253	9,648	33	3,136	4,347	39	4,117	5,301	29
Sandwich and Other	854	1,883	120	162	367	127	692	1,516	119
Total	51,972	65,151	25	14,527	20,394	40	37,445	44,757	20

Estimated by survey respondents for 1982

Source: U.S. Dept. of Commerce, Restaurant Business

For information circle number 65→

outlets in foreign countries in 1981; this compares with 279 franchisors with 20,428 outlets in 1980. Furthermore, an additional 121 companies have indicated that they are considering extending their U.S. operations to foreign countries by the end of 1984. This interest has been expressed mostly by small- and medium-sized franchisors, marketing a variety of services and products. Of the companies seeking foreign markets, 38 are franchisors of business aids and services and 22 are restaurant franchisors.

The form of entry into foreign markets varies considerably, with many firms using more than one method in conducting foreign operations. Of the 288 franchisors doing business in foreign countries in 1981, 274 sold their outlets to franchisees either directly or through a master licensee who received the right to develop the franchisor's system in a specific country or region, 21 operated joint ventures, and 30 had some company operated units. Twenty-two of these companies derived 10 percent or more of their income from foreign operations, 20 firms received between five and nine percent, 94 between one and four percent, and 152 received less than one percent.

Canada continues to be the dominant market for U.S. franchisors despite its declining share of U.S. foreign outlets. In 1981, 33 percent of all U.S. foreign franchised outlets were located in Canada, down from a high of 46 percent in 1971. A total of 209 franchising firms with 7,068 units operated in Canada in 1981, predominantly in non-food retailing (1,265), restaurants of all types (1,220), and automotive products and services (1,030).

Japan continues to be the second-largest market for U.S. franchisors with a total of 3,999 units of which 73 percent represent various food categories such as restaurants, donut shops, ice cream stores, and convenience food stores.

The United Kingdom ranks third with 2,113 outlets, while 3,393 outlets are located in all of Continental Europe.

Canada continues to be the dominant market for U.S. franchisors; Japan and the United Kingdom are the second and third largest markets.

Changes in ownership

Changes in ownership in 1981 involved 10,756 units belonging to 987 franchisors. These changes included conversions to franchisee-owned or to company-owned operations, and discontinuation of either company-owned or franchisee-owned outlets. Specifically, 760 outlets were purchased for company-ownership while 1,068 were converted to franchisee-ownership; as in previous years the largest portion of these changes occurred in the restaurant sector of franchising. The number of establishments discontinued in 1981 stood at 8,928 of which 1,159 were company-owned and 7,769 franchisee-owned.

Since 1975, the trend in franchising has reflected an increase in conversions of company-owned units to franchisee-ownership, and as in previous years the survey shows that most units repurchased for company-ownership were temporary buybacks for a multitude of reasons, the least of which was the company's desire to withdraw from the franchise system or to operate these units permanently themselves.

Changes in ownership in the restaurant sector in 1981 involved 2,770 units. They included 489 units repurchased for company ownership; 426 units converted to franchisee ownerhip; 401 company–owned units discontinued; and 1,454 franchisee units discontinued.

In 1981, for the first time since 1975, more units were purchased for company operation than the number converted to franchisee-ownership. These buy-backs were primarily temporary, due to depressed economic conditions.

Failures and departures

A total of 59 franchisors (a record) operating 1,905 outlets failed during 1982, according to the U.S. Department of Commerce survey. The volume of 1981 sales represented by the failed firms amounted to $244 million, of which the franchisee-owned portion was $197 million. Compared to total business format franchising sales of $89 billion in 1981, the lost volume (0.3 percent) should be regarded as minimal.

In addition, 61 companies decided in 1982 to discontinue franchising as a method of doing business; these companies operated 4,124 units in 1981 with $384 million in sales, of which 3,850 outlets with $243 million in sales were franchisee-owned.

Since the mid-1970's, the number of annual failures and departures of franchisors has accelerated. In 1978, it stood at 74; from 1979 through 1982, it has exceeded 115 each year.

Renewals and terminations

In 1981, 11,515 franchise arrangements came up for renewal, of which 10,278 or 89 percent were renewed and 1,237 franchises were not. Of the latter, 245 were not renewed because of objections by the franchisor, 737 because the franchisee did not wish to renew, and 255 upon mutual agreement.

There were 7,181 terminations of franchise agreements in 1981, of which 3,116 were terminated by franchisors, 2,258 for non-payment of royalties or other financial obligations, 121 for the franchisee's failure to comply with quality control standards, and 737 for other reasons not identified. Franchisees were responsible for terminating 3,597 franchise agreements while an additional 468 were terminated by mutual consent.

A total of 2,978 franchisees in 1981 asked permission from their franchisors to sell their franchises to other businesspersons; all but 100 transfers were approved.

In the restaurant sector, 910 franchise agreements were eligible for renewal in 1981. Of these, 810 were renewed and 100 were not renewed. Among the latter, 17 were not re-

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newed due to objections by the franchisor; 28 because the franchisee did not wish to renew; and 55 were not renewed by mutual agreement. In addition, in 1981, 1,336 franchise agreements were terminated. Among these, 640 were terminated by the franchisor; 530 by the franchisee; and 166 by mutual agreement.

Of the 640 agreements terminated by the franchisor, 423 were due to financial default by the franchisee; 23 due to quality control violations; and 194 for reasons not identified.

Retail sales

Consumer spending remained sluggish in 1982 but the overall financial condition of consumers improved. Consumer debt, as a percent of disposable personal income (DPI), continued to decline, savings as a percent of DPI rose, and consumers had more liquid assets. Thus, the average American consumer entered 1983 with an enhanced financial position, setting the stage for increased retail spending as confidence in economic conditions rose and interest rates dropped further.

Retail sales were estimated at $1.1 trillion in 1982. Retail sales of all firms associated with the franchise system—franchisee-owned and company-owned—reached an estimated $339 billion or 31 percent of total U.S. retail sales. Retail franchising accounts for 88 percent of all franchising gross receipts.

> Despite the sluggish performance of the economy, franchised restaurant sales continue to be impressive reaching $34 billion in 1982.

Competition for the consumer's dollar will be intense as savings plans and spending choices for consumers proliferate. As inflation continues to decelerate, retail sales as a percent of disposable personal income are expected to increase and franchised retail sales should increase by 13 percent in 1983, and account for 33 percent of total retail sales.

Restaurants

Despite the sluggish performance of the overall economy, franchised restaurant sales continue to be impressive. Stable food costs, smaller price increases, more newcomers to the marketplace, increased advertising, and continued menu expansion all have helped to push up sales. Expansion into foreign countries remains a key goal of many restaurant chains.

Sales of franchised restaurants of all types reached almost $34 billion in 1982, up 12 percent over a year earlier; they are expected to jump about 14 percent, to $38 billion in 1983. Franchised restaurants numbered 61,846 in 1981, increased to 65,151 in 1982 and are expected to rise to slightly over 70,000 in 1983. The highest concentrations of franchised restaurants continue to be in California, Texas, and Ohio.

Employment in the franchised restaurant sector was 1,664,170 in 1981, up from 1,612,479 a year earlier, a rise of three percent. Employment in the franchised restaurant industry accounts for 34 percent of employment in the franchise system as a whole and should continue to rise in the next few years. Furthermore, franchised restaurant employees accounted for an estimated 40 percent of all persons employed in eating places in the United States.

Among all kinds of franchised businesses, restaurants ranked third in total sales ($30.0 billion) in 1981, behind only auto and truck dealers ($159.4 billion) and gasoline service

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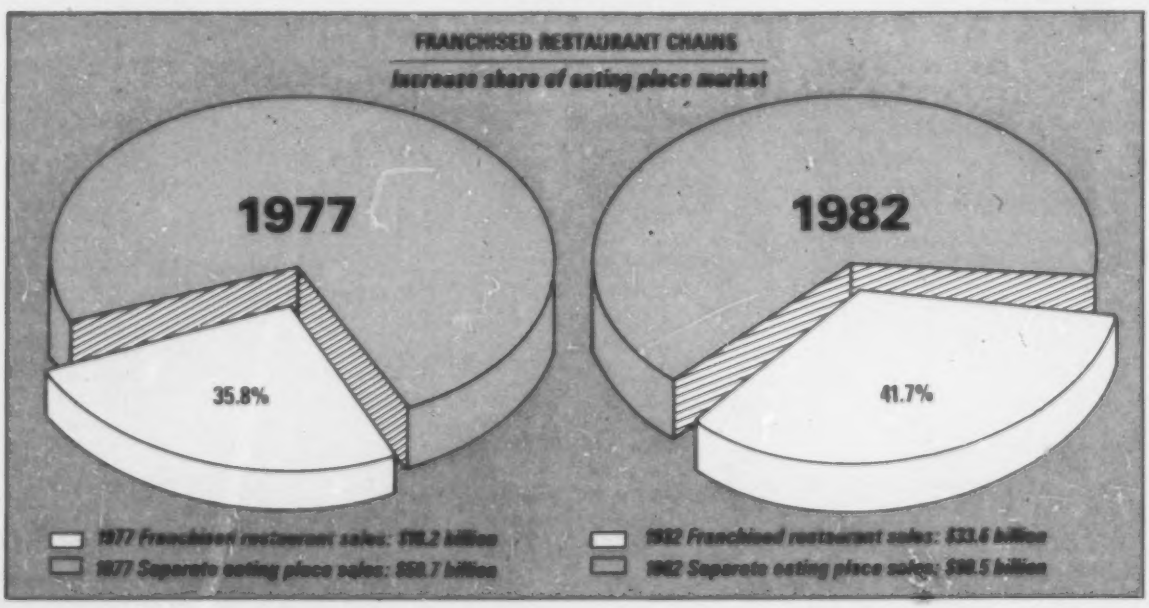

stations ($101.7 billion). In terms of total number of units, restaurants ranked second (61,846) in 1981, with only gasoline stations outnumbering them (151,250).

The entry into the restaurant franchising system, mostly by small companies, continued in 1981 with a net gain of 15 franchisors, bringing the total to 440. During 1982, eight franchisors with a total of 205 restaurants (178 franchisee-owned) went out of business, while 16 franchisors with a total of 211 restaurants (37 franchisee-owned) decided to abandon franchising as a method of marketing.

There were 13 big franchisors with over 1,000 units each in 1981. They operated 31,921 restaurants, 52 percent of all franchised restaurants, and accounted for $16.7 billion in sales, almost 56 percent of the total.

Despite high real estate costs, indigenous eating habits, high labor costs in some countries, consumer resistance, and intense competition, American restaurant franchisors are moving into foreign markets at a rapid rate. In 1981, 59 restaurant franchisors operated 4,325 units throughout the world. Another 22 franchisors plan to extend their operations to foreign countries by the end of 1984. Canada is the largest market for franchisors of restaurants, followed by Japan, Australia, and the United Kingdom.

Convenience stores

Strong growth is being experienced by convenience stores both in the number of stores and in the dollar volume, providing the many "fill-in" items that consumers need between their regular excursions to the supermarkets. Growing numbers of convenience stores are realizing extra sales by installing on their premises gasoline pumps, usually self-service.

In order to increase sales volume and compete with fast food restaurants, convenience stores are offering a wide variety of take-out foods such as hot and cold sandwiches, coffee, chicken, hot dogs, and an assortment of other dishes, pre-cooked by the supplier and requiring only reheating or reconstituting in a microwave oven.

Despite intensified competition from supermarkets offering extended hours and Sunday shopping, sales moved up 10 percent, to $9.3 billion in 1982. The number of franchised establishments was reported to be 16,256, up 4.7 percent. Further gains are expected in 1983, 10 percent in sales and six percent in number of establishments.

Food retailing

The retailing of food by specialty food shops, donut shops, ice cream stores, coffee services, and others amounted to $8.7 billion in 1982, 11 percent over the previous year; sales in 1983 are expected to reach $9.5

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U.S. FRANCHISED RESTAURANTS*
Number of Establishments by State: 1981

State	Total	Company-Owned	Franchisee-Owned	State	Total	Company-Owned	Franchisee-Owned
Alabama	1,192	384	808	Nebraska	473	137	336
Alaska	79	3	76	Nevada	250	97	153
Arizona	886	258	628	New Hampshire	125	25	100
Arkansas	593	113	480	New Jersey	1,022	172	850
California	5,700	1,526	4,174	New Mexico	431	87	344
Colorado	1,003	309	694	New York	2,202	572	1,630
Connecticut	499	154	345	North Carolina	1,330	394	936
Delaware	112	26	86	North Dakota	169	11	158
District of Columbia	95	38	57	Ohio	3,644	873	2,771
Florida	2,870	970	1,900	Oklahoma	1,063	334	729
Georgia	1,890	777	1,113	Oregon	744	168	576
Hawaii	191	64	127	Pennsylvania	2,086	626	1,460
Idaho	220	11	209	Rhode Island	109	42	67
Illinois	2,864	878	1,986	South Carolina	843	268	575
Indiana	1,829	540	1,289	South Dakota	222	20	202
Iowa	1,092	182	910	Tennessee	1,351	469	882
Kansas	907	279	628	Texas	4,553	1,898	2,655
Kentucky	1,216	337	879	Utah	366	85	281
Louisiana	901	269	632	Vermont	49	3	46
Maine	147	40	107	Virginia	1,324	380	944
Maryland	723	243	480	Washington	914	215	699
Massachusetts	696	238	458	West Virginia	480	169	311
Michigan	2,553	809	1,744	Wisconsin	1,217	282	935
Minnesota	1,174	298	876	Wyoming	146	9	137
Mississippi	806	103	503				
Missouri	1,419	504	915				
Montana	210	8	202	TOTAL	56,780	16,697	40,083

*Represents 92 percent of total establishments.
The remaining eight percent were unable to provide a geographic breakdown for this report.

billion. The number of establishments in 1982 was 17,106, expected to rise to 18,429 in 1983.

Two of the better known groups in this category are donut shops and ice cream stores. In 1981, there were 22 franchisors of donut shops providing jobs for 31,992 workers. Sales and establishments for ice cream stores and donut shops for the year 1981-83 are listed on pages 126 and 130, respectively. The 27 franchisors of ice cream stores in 1981 created employment for 38,785 persons.

Hotels and motels

Occupancy rates in the lodging industry should rise slightly in 1982 to about 68 percent; however growth in total receipts will be due more to higher room rates than to better occupancy rates. Rate increases reflect the higher cost of fuel and labor. Hotel room rates increased about nine percent and motel rooms by about five percent in 1982.

Room sales should improve slightly in 1983, but the outlook over the next few years is more promising. Hotel, motel, and campground franchisors in 1982 represented 6,622 establishments with receipts estimated at $10.8 billion. Receipts are expected to rise 11 percent in 1983 over 1982, reaching slightly over $12 billion. □

INTERNATIONAL RESTAURANT FRANCHISING IN 1981
Location and Number of Establishments*

Major Activity	U.S. Firms	Total	Canada	United Kingdom	West. Europe	Japan	Other Asia	Australia	New Zealand	Caribbean	Africa	Mexico	Central America	South America
Chicken	6	1,377	13	334	44	364	92	210	37	92	103	65	0	13
Hamburger	15	2,099	890	92	269	482	85	152	16	71	0	0	10	7
Pizza	9	289	19	13	3	55	50	96	9	14	6	15	35	0
Mexican	6	60	39	0	0	1	0	4	0	16	0	0	9	0
Seafood	4	58	53	0	0	5	0	0	0	0	0	0	0	0
Pancakes	2	15	7	0	0	8	0	0	0	0	0	0	0	0
Steak	16	425	197	3	0	191	3	6	0	5	1	19	0	0
Sandwich	1	2	2	0	0	0	0	0	0	0	0	0	0	0
Total	59	4,325	1,220	442	316	1,106	230	466	62	198	110	99	54	20

*Includes company-owned and joint ventures
Source: U.S. Dept. of Commerce

YOU MAKE MORE MONEY SELLING ROTANELLI PASTA THAN ANYTHING ELSE ON YOUR MENU.

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SUGGESTIONS

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STUFFED SHELLS
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LASAGNA
PRE-COOKED LASAGNA PASTA SHEETS
PRE-COOKED EGGPLANT CUTLETS
JUMBO ROUND RAVIOLI
UNCOOKED & PRE-COOKED MEATBALLS
CANNELLONI
CANNELLONI FLORENTINE

With the spiraling cost of meat, fish and poultry, you'll make more money selling Rotanelli pasta than any other item on your menu.

Whether you serve Rotanelli manicotti, stuffed shells, ravioli or any other of our pasta products, your profit margins from "center of the plate" dishes will soar.

And when you serve Rotanelli pasta, you'll be serving authentic Italian food with no preservatives, no additives or adulterations . . . only natural ingredients.

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For information circle number 73

RB 3/83
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RB LATELINE page 301

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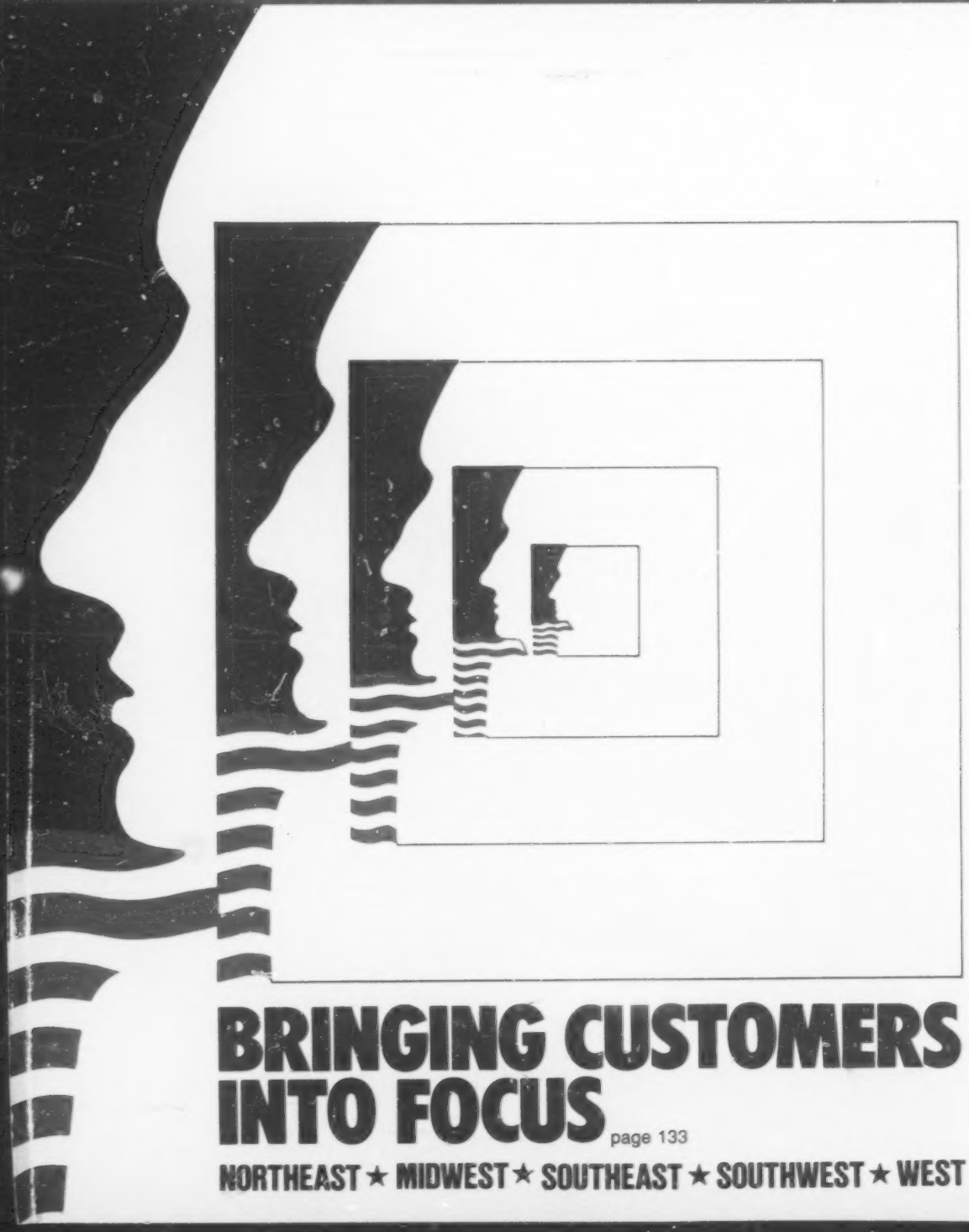

BRINGING CUSTOMERS INTO FOCUS

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NORTHEAST ★ MIDWEST ★ SOUTHEAST ★ SOUTHWEST ★ WEST

Restaurant Business

May 1, 1983 VOL. 82 NO. 6

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Bringing customers into focus
Do you know who your customers are? This special report compiled by the staff of *Restaurant Business* pinpoints consumer tastes, lifestyles, and dining out attitudes by region—Northeast, Midwest, Southeast, Southwest, and the West—and by state. It also analyzes demographic data including population, employment, working women, per capita income, households, and age group 133

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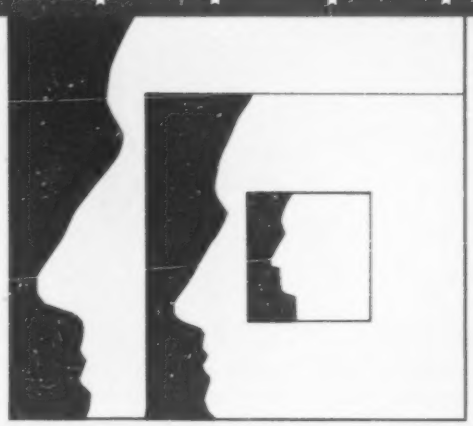


BRINGING CUSTOMERS INTO FOCUS

In this special May issue, the staff and contributing editors of *Restaurant Business* Magazine bring your customers into focus by investigating how their tastes, lifestyles, and dining-out attitudes vary from region to region, state to state. In this special report, we also track the key demographic shifts in our country in terms of population, employment (particularly women in the workforce), per capita income, number of households, and age groups from 1970 to 1980; and we provide you with growth projections to 1990 for each of these consumer touchpoints. In addition, we talk with leading restaurateurs and industry executives in each of the five major regions we spotlight—Northeast, Midwest, Southeast, Southwest, and the West—to pinpoint how they are responding to the changing dynamics of their customer base.

NORTHEAST

CONNECTICUT • MAINE • MASSACHUSETTS • NEW HAMPSHIRE • RHODE ISLAND • NEW JERSEY • NEW YORK • PENNSYLVANIA • VERMONT

Diners in the Northeast, be they conservative New Englanders or aggressive urbanites, are among the most demanding in the country.

In most old cities, opening an upscale restaurant in the present economy would be a recipe for disaster. But Kenneth Himmel, managing general partner of the new Grill 23 & Bar in Boston's Back Bay, confidently opened a new steak house (average dinner check: $20) at the beginning of May.

The Grill 23 & Bar is in an area of the city that is growing tremendously. "As long as we offer quality, people are going to pay for it," says Himmel.

This is the story in most of the Northeast where the recession hasn't had as much of an impact as in other parts of the country. Last year, the economy was relatively stable since the region has a low concentration of depressed industries. New England, in particular, fared well with its strong defense and high technology companies.

To be sure, the region has some pockets that weren't as fortunate. Pittsburgh, relatively dependent on the steel industry, is hurting badly. Average unemployment for the Pittsburgh SMSA four-county area for the last quarter of 1982 was 14.8 percent, well above the national average of 9.7 percent. For the same quarter in 1981, the unemployment rate was 8 percent. The steel industry is at 25 percent of capacity.

"The restaurants in the area of the steel workers are suffering," says Charles Mohan Jr., co-owner of Mohan's Dining Room in Penn Hills, Pa., 20 miles east of Pittsburgh. Mohan is president of the Western Pennsylvania Hotel-Restaurant Association. Bars and taverns that were busy with steel workers in between shifts have closed because there are no more shifts, Mohan points out. But restaurants farther from the steel mills are holding their own, he adds.

Buffalo and the Corning area of western New York State were also hit hard with a loss of factory jobs. But, overall, the region survived the recession in good shape.

"We've gone through the current recession fairly well," says Gary Hotchkin, executive vice president of the Connecticut Restaurant Association. "We went through our shakeout in the 1970s. Since then, we have reoriented our economic base to the high-technology industries."

In Connecticut, where the unemployment rate in 1982 was seven percent, per capita income is second only to Alaska. The Nutmeg State's manufacturing is concentrated in transportation equipment and military contracts in addition to high technology.

Even though the economy has been relatively kind to Northeastern restaurateurs, survival still requires adapting to change. Customers in the Northeast continue to be discriminating diners and require that restaurateurs be imaginative and versatile.

"The customer in New England is the most demanding and sophisticated of any in the United States. It's a damn tough market," notes Hugh Kelly, president of Kelly Restaurant Corp Inc. of Boston, which is the Suffolk County, Mass., developer for Wendy's. His summation could apply to New York, Pennsylvania and New Jersey, as well.

These three states form a separate entity from the New England states, all observers agree. Consumers in New York, New Jersey and Pennsylvania tend to be swayed by the New York City and Philadelphia restaurant industries. New Englanders are traditionally more conservative and price-conscious but nonetheless are sophisticated customers.

The populations of New York, New Jersey and Pennsylvania are largely urban, though vast areas of central and western Pennsylvania and upstate New York are sparsely settled and much of New Jersey is green farmland. Nevertheless, three-quarters of the population of New Jersey lives within 30 miles of New York City.

It's hard to generalize about the people of these three states. This is a great "stew-pot," where immigrants have moved in and kept some of their own identity. In the 20th century population has migrated mainly from other parts of the U.S., settling in areas adjacent to the big cities. Now, that population is again shifting, New York state actually lost population during the '70s, ac-

PHOTO BY JAY ARLEN

"New Englanders are not like New Yorkers who'll try a restaurant for snob appeal. They are very quality and value oriented."

cording to the Census Bureau, and Pennsylvania and New Jersey registered only very small gains. Immigrants from other countries are again thronging the cities, however.

The lifestyle in these urban areas is fast-paced and competition is stiff. Natives can seem abrupt to travelers used to the softer accents of the Midwest and South, but once that veneer is pierced they're just as friendly as anywhere. They're actually easier to get to know well than Midwesterners and Southerners, whose hospitality is a habit but whose reserve runs deep.

Moving into the New England states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont, it's easier to generalize about the people and the lifestyle. Here, the people have developed a unique way of life, based in part on English Common Law principles, town government and the relationship of the people to the land and to the sea. All observers—be they geographers, economists or historians—agree that no other area of the country is so integrated. There's no doubt where it is, what it is and who it is.

The three characteristics most often associated with New Englanders are frugality, toughness and independence of spirit. Frugality is a grim necessity in the poorer parts of the region, such as northern Vermont, New Hampshire and Maine. That inborn consciousness about money affects what New Englanders are willing to pay for a restaurant meal.

"New Englanders are not like New Yorkers who'll try a restaurant for snob appeal," says Ray Murgia, executive vice president of the Massachusetts Restaurant Association. "They're not going to spend $14 for a piece of scrod when they know how much they can buy it for in a supermarket. They are very quality and value oriented."

"The consumers in New England are set in their ways," adds John Cauley Jr., president and chief operating officer of the Friendly Corp., Wilbraham, Mass., which operates 550 of its family-style restaurants in the Northeast. "They aren't willing to experiment as much as people in other parts of the country. I think New England will change eventually."

If there's one thing that separates the Northeastern restaurant industry from the rest of the country, it's that chains are nowhere near as popular. Independent restaurant operators have the handle on the market, both in New England and in the heavily-populated urban regions of New Jersey, New York and Pennsylvania.

Paul Lazar, president of the Rhode Island Restaurant Association, says that nine out of the top 10 biggest-volume restaurants in the state are family-owned. Michael Yaroschuk, executive v.p. of the Vermont Hospitality Association, says he'd be "surprised" if there were two chains in the key traffic area of Burlington, Vt.

Even in the New York metropolitan area chains are the exception rather than the rule. Major chains have been unwilling to fight strong independents, pay high rents and negotiate with strong labor forces.

As Friendly Corp.'s Cauley notes, things are changing even in the more conservative areas of the Northeast, however. For instance, Sam Jarvis of The Metro, a tablecloth restaurant in Portsmouth, N.H., has a mixed customer base that includes traveling business executives and day-tripping tourists. He says that requires expanding the menu well beyond meat and potatoes.

"We're going to offer artichokes with hollandaise that wouldn't move five years ago. And we're able to do a lot more with herbs and sauces that we couldn't do in the past because the market wasn't ready for it," Jarvis points out.

John Koniares, president of the Massachusetts Restaurant Association who owns the Kernwood at Lynnfield Restaurant in Lynnfield, Mass., is in an area surrounded by high technology industries. His weekday lunch customers are mainly businessmen from throughout the country and his weekend business is from families in the area. Although he says that New Englanders traditionally enjoy "plain" cooking, they're changing their ways. During the last couple of years, he notes, for instance, that steamed mussels with white wine have become popular.

"One of the newer items people are eating is squid. Up until a couple of years ago, only people with a Southern European heritage would

New England is famous for inns like Connecticut's Avon Old Farms.

The Manor, a palatial restaurant estate occupying 20 acres in New Jersey, attracts special-occasion customers.

eat squid. Now, it's very accepted. We use it fried in our cocktail lounge and it's one of the lower cost items here," says Koniares.

The economy does make customers watch their dollars more closely, even the less thrifty residents of Northeastern cities outside New England. Increasingly, when people go out for dinner, they want it to be more than just a meal. Restaurateurs are trying to oblige.

"The public is more conscious of dining out," says Stuart Levin of The Top of the Park in New York City, who is also chairman of the board of the New York State Restaurant Association. "They are looking for foods that are more adventuresome and they're also looking for ambiences that fit their different moods."

For example, Michael O'Neal of The Ginger Man Restaurant Group, which owns seven restaurants, five of them in Manhattan, recently started a cabaret five nights a week at O'Neal's at 43rd Street, which is off of Times Square and caters to the theatre crowd.

Some restaurant owners are supplying entertainment without a band or a show in the lounge. Carl Capra, vice president and director of operations of Carbur's, based in Burlington, Vt., owns four restaurants that specialize in fun food and a fun environment, selling gourmet sandwiches and other light fare.

Three of the restaurants, in Hadley, Mass., Burlington, Vt. and Plattsburgh, N.Y., cater to college students but area office workers are also regular customers. The chain's fourth unit, located in Portland, Me., caters to tourists and area businessmen.

The 25-page menu describes sandwiches and other light foods with puns and comical illustrations. If a customer asks for one particular sandwich on the menu, the kitchen staff delivers it with song and music.

"We felt there was a major gap in our market areas between the fairly high check average restaurant and the fast-food or the traditional chain establishments. We needed a fun place that was light with an entertaining environment. It's been one of the most important parts of our success and we've seen a great deal more of it over the past two years," says Capra.

A growing number of Northeast customers are asking for simply prepared foods. The trend toward fresh seafood and poultry continues. As people become more health conscious, they order fewer fried foods. The most popular items are baked, sauteed or broiled. Koniares, of Lynnfield, Mass., doesn't even have any fried foods on his restaurant's menu anymore. His customers mainly order broiled foods.

Harry Knowles of The Manor in West Orange, N.J., agrees that customers are demanding more fresh foods and lighter fare. But he adds he has always served those foods at The Manor, which is on 20 acres in a

PHOTO BY DAN WYNN

Total Population
(000)

NORTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Connecticut	3,024	3,111	3,233	2.9	3.9
Maine	994	1,126	1,203	13.3	6.8
Massachusetts	5,679	5,744	6,059	1.1	5.5
New Hampshire	735	920	1,038	25.2	12.8
New Jersey	7,152	7,376	8,093	3.1	9.7
New York	18,207	17,590	18,053	(3.4)	2.6
Pennsylvania	11,786	11,878	12,054	0.8	1.5
Rhode Island	946	951	950	0.5	(0.1)
Vermont	443	511	586	15.3	14.7
Regional total	48,966	49,207	51,269	0.5	4.2
U.S. total	202,805	226,517	248,276	11.7	9.6

Source: Data Resources Inc.

middle to upper income community. Knowles' customer base is broad, ranging from 20 to 60 years old. But what they all have in common is dining in an upscale establishment to celebrate a "special occasion." The average dinner check at the 26-year-old restaurant, including beverages, is $33, according to Knowles. The most popular items on the menu are rack of lamb, Dover sole and scallops stuffed with lobster mousse.

In line with lighter, healthier foods, customers' romance with sauces has either ended or changed dramatically in the Northeast.

"The customer wants reasonable prices and stays away from the heavily sauced, contrived foods," says Nick Valenti, senior vice president of Restaurant Associates Industries, Inc., New York City. "The sauces now are light, if there's any sauce at all."

Jack Welch, president and director of operations for Growth Enterprises, Basking Ridge, N.J., which operates six, full-service, limited menu restaurants, five of which are in suburban New Jersey, points out: "Ten years ago, when we first started, you could add a sauce to an item and it was perceived as an added value. Today, it's not always seen that way."

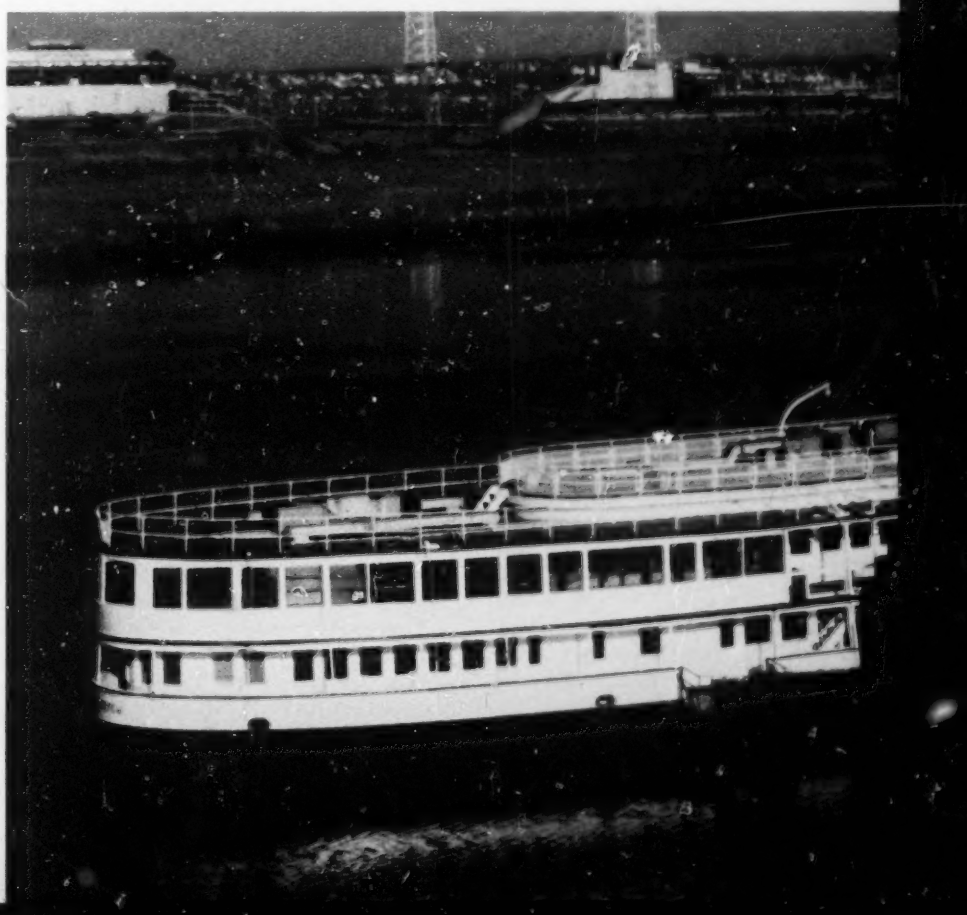
One way that Growth Enterprises keeps its customers satisfied when it comes to variety is by changing its menu every 18 months to stay "fresh."

The Last National Bank is located in an old bank vault in downtown Hartford, Conn. A white tablecloth restaurant that has an average dinner check of $20, it has taken strong steps to satisfy customers who demand "healthy" foods. Last January, the restaurant printed a menu that contains entrees approved by the American Heart Association. The association's logo is printed next to these items; 12 items carry the logo on the lunch menu and 8 at dinner.

Ferg Jansen, president of Mnoux Inc., which owns the Last National Bank, notes that all of the approved recipes are prepared under specifications from the association and are low in fat, sodium and cholesterol.

"People are demanding more nutritional fare," he says. "They're requesting no bread with their meal, for example." Some popular items are fruit shakes, fresh fruit-and-cheese platters, tuna fish with brie and melon. Fruit with grapenut yogurt is one of the most popular new items, he notes. Jansen describes his customers as "real people who are into healthy foods." The menu also includes sauteed items, seafood and beef.

When beef prices increased about five years ago and seafood and chicken items became more popular, Pal's Cabin in West Orange, N.J., changed the restaurant's sign that read "steak" to "steak and seafood,"



Beyond New Jersey's Aratusa Supper Club lies the huge Meadowlands Sports Complex.

recalls Don Horn, Jr., manager, and the owner's son. The 450-seat, 51-year-old restaurant gained notoriety when it opened by selling steak for $1. As recently as six years ago, steak sales accounted for 70 percent of sales and seafood 30 percent. Today, the ratio is reversed. In fact, the menu in the more formal dining area of the restaurant offers about 70 percent seafood and chicken selections, the remainder beef selections.

Pal's Cabin, which has a volume of $4 million annually, is within an hour's drive of New York City on top of a ridge of mountains that run to the Hudson River. Chemical and pharmaceutical companies dominate the area and office buildings are growing. The restaurant also draws customers from the surrounding affluent residential communities, which have attracted major shopping centers and entertainment facilities into the area.

Horn notes that most customers order their foods prepared baked, broiled or sauteed, and a growing number of customers are ordering grilled seafood.

Total Nonagricultural Employment

NORTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Connecticut	1,197,697	1,426,995	1,607,094	19.1	12.6
Maine	332,566	418,315	471,125	25.8	12.6
Massachusetts	2,265,265	2,652,311	3,050,781	17.1	15.0
New Hampshire	260,119	389,788	485,876	49.8	24.5
New Jersey	2,607,685	3,058,371	3,581,482	17.3	17.1
New York	7,162,286	7,207,967	7,914,849	0.6	9.8
Pennsylvania	4,354,443	4,754,424	4,929,444	9.2	3.7
Rhode Island	344,681	398,432	430,217	15.6	8.0
Vermont	147,943	200,180	244,757	35.3	22.3
Regional total	18,672,685	20,506,783	22,715,625	9.8	10.8
U.S. total	70,683,172	90,907,374	105,537,485	28.6	16.1

Source: Data Resources Inc.

The trend toward fresh, grilled food is what the Grill 23 & Bar in Boston is banking on. Although some people aren't eating as much beef as they used to, Ken Himmel, managing general partner of the new restaurant, says he believes there is a market for a first class steak house in Boston.

"Where can you go in the Boston metro area for good, aged grilled beef?" he asks. "The answer until now has been 'no place.' I think there's a great market for it and we don't have any competition."

The menu also offers grilled seafood and fresh vegetables. Himmel expects customers to come from the neighboring Back Bay area and from nearby hotels crowded with conventioneers.

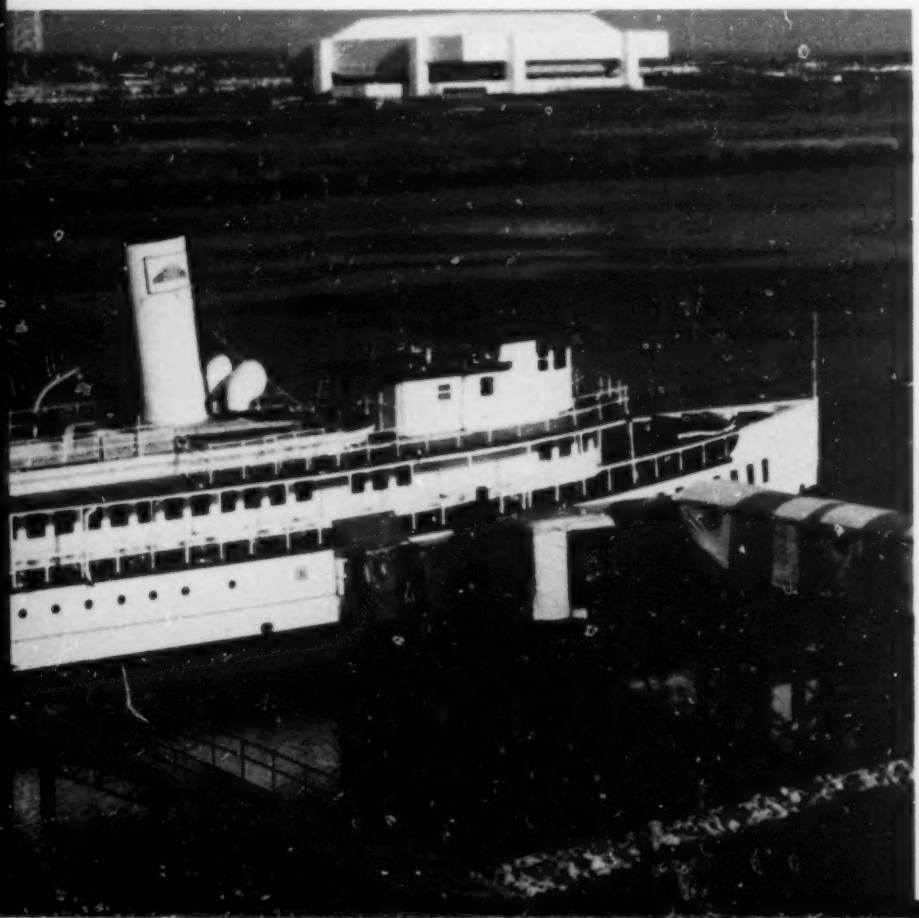
While some consumers are avoiding fried entrees, trendy finger foods such as potato skins, fried mushrooms and nachos continue to be popular.

"People are concerned about heavy foods, particularly fried foods. But there are a lot of trendy foods now that contradict this," says Doris Etelson, vice president of operations/support systems for The Howard Johnson Company in Braintree, Mass.

Hugh Kelly of Wendy's recently catered a black tie affair at a major Boston department store. About 3,500 people snacked on "street food" such as popcorn, hot dogs, pizza, fruit salad and potato skins. To Kelly's surprise, the most popular item was potato skins—with pizza coming in second.

Charles Mohan, Jr., of Mohan's Dining Room in Penn Hills, Pa., notes that customers in his area, which is dominated by the steel industry, continue to dine out but they are definitely looking for more value for their dollar.

To offer more value for his customers' dollar at his family-style restaurant, Mohan introduced a salad bar in April that offers hot foods in



addition to the usual salad items. It costs $2.99 for all-you-can-eat and 99 cents if accompanied by dinner.

"I'm almost giving away the salad bar below cost, hoping people will come in and have a dinner with it," he explains.

Customers are flocking to the restaurants in the western part of the state that offer "all-you-can-eat" specials and "early bird" specials, something, Mohan points out, that most of the restaurants never did until the recession.

Mohan says his customers, who are typically blue collar, middle income people aged 30 to 50, are eating out less during the week. His weekday business is off but on weekends his restaurant is "jammed."

Ethnic foods continue to gain momentum in the Northeast. Fred Sampson, executive vice president of the New York State Restaurant Association, says that the number of ethnic restaurants in New York City continues to grow.

Jack Welch of Growth Enterprises in New Jersey says that he added a couple of Mexican entrees to The Office Restaurant's menu and "they've been a smash."

Mexican is starting to make inroads in New England, too. El Torito-La Fiesta, a division of W.R. Grace headquartered in Irvine, Cal., and operator of 89 Mexican restaurants nationwide, recently bought eight of Howard Johnson's Red Coach Grills in New England. The company plans to convert them into Mexican restaurants.

Mike Casey, executive vice president, said that the company noticed that the few Mexican restaurants operating in New England were doing well.

"We noticed that with the heavy population density in the Northeast, there was not a large percentage of Mexican food there. Our research told us this void of Mexican restaurants in the market existed not because it was unpopular, but simply because it was unavailable," he points out. Casey is confident that the conversions will be a success.

Northeastern consumers are also looking at the take-out market to save some dollars. With more women in the workforce, it's also convenient for those people who want a restaurant meal without going out.

Steve Poses, owner of The Frog, The Commissary and three other restaurants in Philadelphia's rediscovered "Center City" section, opened The Market of The Commissary take-out unit two years ago. The take-out business, which is around the corner from the original Commissary, does $1 million in sales yearly, Poses points out.

The Market is an alternative for people who don't want to eat out but want a quality meal at home without cooking. The prices are lower than in the white tablecloth restaurant, Poses notes, and servings are tailored for reheating.

"People shouldn't look on their job as just restaurant operators. Their jobs are really to feed the people. The Market has been an important diversification for us. It's an important change in eating in the Northeast," he explains.

Overall, the Northeast region, because of the industries that dominate it, wasn't as hard hit by the recession as the rest of the country.

For instance, Massachusetts has the lowest unemployment rate of the top 10 industrialized states in the country. High technology companies have helped the state's economy and the fastest-growing industry in

Total Women in the Workforce
(000)

				% change	
NORTHEAST	**1970**	**1980**	**1990**	**'70-'80**	**'80-'90**
Connecticut	486.0	643.6	768.4	32.4	19.4
Maine	140.2	195.7	242.2	39.6	23.8
Massachusetts	926.3	1,200.3	1,413.9	29.6	17.8
New Hampshire	114.4	188.8	262.7	65.1	39.1
New Jersey	1,071.9	1,386.0	1,629.9	29.3	17.6
New York	2,745.8	3,221.6	3,556.7	17.3	10.4
Pennsylvania	1,681.6	2,040.3	2,301.5	21.3	12.8
Rhode Island	151.4	192.9	224.5	27.4	16.4
Vermont	63.2	99.1	132.9	56.9	34.1
Regional total	7,380.8	9,168.3	10,532.7	24.2	14.9
U.S. total	28,929.8	41,672.2	53,083.1	44.0	27.4

Note: Rounded figures for states may not add to regional total.
Percentages based on unrounded data.
Source: Restaurant Business estimates for 1990. Census Bureau for 1970 and 1980 data.

Real Disposable Personal Income
(per capita, 1972$)

				% change	
NORTHEAST	**1970**	**1980**	**1990**	**'70-'80**	**'80-'90**
Connecticut	4,575	5,517	6,800	20.6	23.3
Maine	3,068	3,711	4,562	21.0	22.9
Massachusetts	4,048	4,774	5,924	17.9	24.1
New Hampshire	3,536	4,310	5,617	21.9	30.3
New Jersey	4,413	5,162	6,004	17.0	16.3
New York	4,366	4,835	5,806	10.7	20.1
Pennsylvania	3,647	4,449	5,085	22.0	14.3
Rhode Island	3,654	4,436	5,747	21.4	29.6
Vermont	3,296	3,693	4,469	12.0	21.0
Regional total	4,114	4,772	5,695	16.0	19.3
U.S. total	$3,670	$4,495	$5,425	22.5	20.7

Note: Disposable personal income is equivalent to after-tax income and indicates what consumers actually have available for spending. Source: Data Resources Inc.

Mama Leone's in Manhattan dazzles tourists and locals alike with a blend of Italian cookery and pure showbiz.

the state now is retail trade and services, which employed 1.2 million people in 1981, according to the Massachusetts Department of Commerce. The number of high-technology manufacturing companies has boosted restaurant sales in those suburban areas where the companies are headquartered, according to Ray Murgia of the Massachusetts Restaurant Association.

In the North Country states of New Hampshire, Vermont and Maine, tourism plays an important role in the economy.

New Hampshire, which is the fastest-growing state in the Northeast, has increased the number of jobs related to tourism in the past decade by 48 percent. The New Hampshire Travel Council estimates that 43,000 people work in tourism in the Granite State. What also helps the state's economy is its lack of sales taxes that encourages out-of-state shoppers who live in Maine or Massachusetts to spend money.

Both Maine and Vermont depend on tourism, too. Unfortunately, last summer's tourism season was affected by a wet, cold June and high exchange rates on the Canadian dollar. Traditionally, southern Maine beaches draw as much as 80 percent of their tourism trade from Canada, according to the Maine State Planning Office. Because of the exchange rates, the number of Canadians who visited Maine was down. However, combined sales of restaurants and lodging places for the 1982 season, adjusted for inflation, were comparable to the two previous years.

In an effort to boost tourism, the state's governor recently introduced a $3 million appropriation bill for promoting tourism in Maine. Tourism is the second biggest industry in the state (the paper industry is number one). The bill, if passed, would appropriate $1.5 million annually for the next two years. Carl Sanford, executive vice president of the Maine Restaurant Association, is confident the bill will pass.

"We've been very complacent in our attitude toward tourism," he notes. "We feel everyone wants to visit the rocky coast of Maine and eat lobster. That's been our problem." If the bill passes, Sanford says "we'll see more opportunities in Maine and the restaurant industry will flourish."

Travel and tourism is the number two industry in Vermont as well. Manufacturing companies, mostly high technology, dominate the state and agriculture is the number three industry.

"The economy of Vermont has always been described as a three-legged milk stool," said Yaroschuk of the Vermont Hospitality Association. "Each industry contributes to the balance of the state."

Because of this balance, the state's unemployment rate reached a high last year of 6.4 percent compared to the national high of 11.4 percent, according to Yaroschuk.

PHOTO BY R.C. LIEBERMAN

The Nutmeg State, Connecticut, had an unemployment rate of 7 percent last year. The high-technology manufacturing companies are growing four times faster than any other manufacturing group, according to the Connecticut Department of Economic Development. The state is sensitive to military contracts and such companies as Pratt & Whitney are headquartered there.

Among some 4,200 restaurants in Connecticut, the strength is in seafood. The shoreline is a busy tourist area where many seasonal restaurants are located.

Rhode Island's economy suffered more in the recession than the rest of New England. It has a heavy concentration in the textiles and jewelry industries. The unemployment rates for the first quarter of 1982 averaged 9.1 percent as compared to the national adjusted rate of 8.8 percent.

The economy definitely affected the restaurant business in 1982, notes Lazar of the Rhode Island Restaurant Association. Customer counts were down statewide, he says. However, the warm weather at the beginning of this year has helped the industry thus far, he says.

New Jersey's largest manufacturing industry in terms of employment is the chemicals industry, which employs over 120,000 people. Welch of Growth Enterprises in Basking Ridge says his six restaurants, all of which are in suburban New Jersey, have had sales increases during the past 18 months.

New York State was one of the more troubled states in the Northeast. Its unemployment rate was 8.6 percent in 1982, up from 7.6 percent in 1981. Total eating and drinking place sales in the state in 1982 were $8.5 billion, according to Fred Sampson, executive vice president of the New York State Restaurant Association. The problems in New York were mainly in the western part of the state.

In Pennsylvania, many watering holes outside Pittsburgh catering to the steel workers have closed because of the layoffs. Statewide, the economy was not as bad. The unemployment rate in 1982 was 10.9 percent compared to 8.4 percent in 1981.

The state is actively promoting tourism, which is its second-largest industry. In 1981, travelers spent $6.9 billion in the state, which was an eight percent increase over 1980 figures. This fiscal year, which ends in June, the state's promotional budget is $2.3 million.

According to James Dewey, executive vice president of the Pennsylvania Restaurant Association, the fine weather at the beginning of 1983 has boosted sales for restaurant owners. "Our operators have said that sales have been up by an average of three percent and as much as twelve percent during the first quarter of 1983," he says.

The consensus in the Northeast is that older consumers are moving toward more healthy, lighter foods such as fresh fruits, poultry and seafood. The younger consumers, generally not as weight-conscious, are ordering finger foods such as potato skins, prepared in a variety of ways, and other fried snack items.

As more people view dining out as an escape from reality, they are looking for more creativity and innovation in the fares offered. Even in conservative New England, consumers are more adventuresome as the increased popularity in Mexican and Oriental restaurants proves.

Even though the economy is improving, the consumer in the Northeast is still price conscious. Value remains one of the most important factors when it comes to choosing where to dine out. **—Debra LaCava**

Total Households
(000)

NORTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Connecticut	939.6	1,103.2	1,232.1	17.4	11.7
Maine	305.4	398.3	448.3	30.4	12.6
Massachusetts	1,772.4	2,048.5	2,227.6	15.6	8.7
New Hampshire	226.3	326.5	392.5	44.3	20.2
New Jersey	2,233.2	2,569.9	2,950.2	15.1	14.8
New York	5,955.6	6,389.5	7,015.7	7.3	9.8
Pennsylvania	3,731.2	4,254.1	4,635.4	14.0	9.0
Rhode Island	293.5	341.6	363.9	16.4	6.5
Vermont	132.3	179.7	218.0	35.8	21.3
Regional total	15,589.5	17,611.3	19,483.7	13.0	10.6
U.S. total	63,792.2	81,145.7	96,312.8	27.2	18.7

Source: Chase Econometrics/Regional Data Associates.

Population Per Restaurant

NORTHEAST	Number of units*	Population per unit**
Connecticut	4,234	736
Maine	1,494	768
Massachusetts	7,280	791
New Hampshire	1,315	726
New Jersey	9,291	796
New York	24,230	720
Pennsylvania	12,666	938
Rhode Island	1,320	721
Vermont	725	721
Regional total	62,555	786
U.S. total (48 states, & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group.
**Spring 1982 **Population Dec. 31, 1981*

MIDWEST

ILLINOIS • INDIANA • MICHIGAN • OHIO • WISCONSIN • IOWA • KANSAS
MINNESOTA • MISSOURI • NEBRASKA • NORTH DAKOTA • SOUTH DAKOTA

Despite weak farm prices and the crippling of industry, Midwesterners eat out in surprising numbers and express confidence about the future.

The faces staring from the pages of news magazines are grim. These are once-proud men now without jobs, men afraid they will not feed their children.

The statistics are grimmer. In Hibbing, Minn., in the heart of the iron-producing Mesabi Range, the official unemployment rate is 28.4. In Flint, Mich., where 20,000 jobs were lost at General Motors, unemployment runs 24.6. In three years, 17,000 manufacturing jobs were lost in Rockford, Ill., a toolmaking town. And in the Warren-Youngstown area of Ohio, where the Mahoning River area long ago earned the nickname Steel Valley, nearly everyone is close to someone who is out of a job.

To the west, where corn and wheat fields roll to the horizon and agri-business is big business, weak farm prices have caused the average farm's net income to plummet $2,015, to a meager $8,042. The state of the farm economy helped hasten the fall of giant International Harvester, and other companies have tightened their belts.

But do the statistics tell the whole story? Does focusing on the hard-luck stories, tragic as they may be, give a feel for this whole vast region? What is really happening in the heartland of the U.S.A., the area from Ohio on the east to North Dakota on the west, from the Canadian border on the north to Kansas and Missouri on the south?

Interviews with restaurateurs and restaurant association executives in both the farm and industrial regions of the Midwest show that sales aren't climbing at any dizzying speed, but neither are they off badly. Regional chains still open new units, independents conduct business as usual, and outside of specific cities that relied heavily on the auto or steel industries people blame lagging customer counts on the national economy as a whole, not on any regional malaise. Nearly everyone is optimistic about the future, a necessary prerequisite for economic renewal.

Any question about what is happening in the Midwest cannot be answered without first defining the region. The Midwest is really two regions: the industrial heartland of Indiana, Ohio, Michigan and Illinois; and the breadbasket states of Minnesota, Wisconsin, Iowa, Missouri, North Dakota, Nebraska and Kansas.

Even that division is imperfect. In southern Ohio, for instance, begin the foothills of Appalachia, and northern factory workers talk about the "hillbillies" a few miles south. Southern Indiana, southern Illinois, southeastern Kansas and much of Missouri share cultural ties with the South, and the Missouri "bootheel" jutting into Arkansas is a deep-south region of flatland cotton farming, sultry summers and drawling speech. Minnesota and Wisconsin, with their strong Scandinavian influences, differ from the rest of the region in several important ways.

Some of America's greatest cities rose in the industrial heartland: Chicago, of course, and Cleveland, Detroit, Indianapolis, Cincinnati. St. Louis probably belongs in this group. These cities are like cities anywhere, with the same proliferation of every possible kind of restaurant, the same urban blight, the same faster-paced lifestyle and the same ethnic neighborhoods repopulated by new immigrants as the Irish, Italians and Eastern Europeans move to the suburbs.

The farm-belt cities, too, are diverse, but the diversity diminishes as one moves westward. Milwaukee retains strong ethnic communities, with various groups living in the old neighborhoods and attending church together, but in Des Moines, Kansas City, Omaha or Fargo people think of themselves as "American" rather than "German," "Polish," or "Italian."

The populations of the western cities tend to be fairly homogenous, but to generalize is to err. In a state that is supposed to be flat, Republican and Protestant, Dubuque, Iowa, is hilly, Democratic and Catholic. The population of Wausau, Wisc., is 99.3 percent white, however, and of Dubuque 99.2 percent white.

Clearly, it's hard to generalize about a region so vast and diverse. Practically speaking, the economic state of the area has to be considered

PHOTO: CHICAGO CONVENTION & TOURISM BUREAU

Pockets of decay and despair exist, but in a fabric of relative comfort. Most people are aware of hardship, but it doesn't touch them.

In Cleveland, the river offers a cool backdrop for diners.

almost city by city, and many Midwestern communities are built on a diverse economy with agriculture and heavy industry only part of the mix.

Even in the hardest-hit areas, people still eat out in surprising numbers. A drive down restaurant-glutted U.S. 422—"the strip"—between Niles and Warren, Ohio, shows busy parking lots, which is a shock considering the Warren-Youngstown metro area vies for the dubious honor of unemployment capital of the nation. And a Rax Roast Beef franchisee in Akron, Ohio, reports that sales are up 12 percent over last year.

The truth is that pockets of decay and despair certainly exist, but they exist in a fabric of relative comfort. Most people are aware of hardship but it doesn't necessarily touch them. That is true even in Detroit, symbol of the wasteland the industrial U.S. supposedly has become.

"Amazingly, we haven't seen too many restaurant closings," says Henry Montague of the Michigan Restaurant Association. "We have a high turnover rate anyway. Business is certainly down because of the economic climate, but restaurants are still hanging on and people are opening new ones."

Aldo Paoletti, executive v.p. of the Ohio State Restaurant Association, concurs: "There is not a general air of pessimism, except about the government. People may not like what's going on, but they're not going to go jump in the river. There's a lot of fight left and they will cope with whatever the future holds."

In the worst-hit areas, people have discovered that this is going to be a protracted economic situation. "To reward themselves for not being able to make durable goods purchases, they are giving themselves a good time. Our segment, between fast food and fine dining, is really helped by that," explains Spiro Athanas, vice president of marketing for Indiana-based Noble Roman Pizza, with 59 units and 12 under construction in the Midwest. The chain has 44 units located in Indiana, as well as 11 in Ohio, one in Kentucky and three in Orlando, Fla. Indiana's northern tier, including Gary and South Bend, is heavily industrialized, and Indiana suffers the sixth highest unemployment.

Eighty percent of Noble Roman's sales come from three different kinds of pizza: a hand-tossed round pizza, a deep-dish Sicilian, and "the Monster," a Chicago-style round pizza with three times more cheese and twice the topping. Check average is around $8 per party, with the most expensive item on the menu being the " Maximus," a 20-in. special with eight toppings for $14.

Another chain doing well is Columbus, Ohio-based Rax Roast Beef, with 230 restaurants in the Midwest, mainly in Ohio and Pennsylvania. "Sales are holding up; we're very pleased," says Karl Martinez, a California native who is v.p. of marketing. "We've seen a 20 percent increase in year-to-date sales. Based on the market that's fantastic."

Rax offers a varied fast-food menu, with all items cooked to order. The chain recently has been remodeling units and adding new products, including a breakfast bar.

PHOTO BY MARK C. SCHWARTZ
CONVENTION & VISITORS BUREAU OF GREATER CLEVELAND

Martinez disavows any notion that Rax will shift development away from its Midwest markets, hard-hit though they may be.

Martinez notes that Rax tends to appeal to white collar workers in the 25-to 49-year-old age range. "We draw an upscale customer who is perhaps not hurt as bad," he says. "Many people still have money to spend eating out. Obviously, the amount of money is not what it used to be, so they look for a good price/value relationship."

The key to survival in a constricted market is good management and a good product, agrees OSRA's Paoletti. "When it comes right down to it, if an owner knows what he is doing and is a good employer of people, he is holding his own," he says.

"The real problem is that there is not the opportunity for easy growth that there once was," says Carl Degen, executive vice president of the Missouri Restaurant Association. "Plenty of businesses are turning a profit. The market is never saturated for the right concept."

An example of a well-managed chain that is prospering despite the downturn is Bob Evans Farms, a chain of 93 family restaurants in seven states. Heaviest concentration is in Ohio, with considerable numbers in Michigan, Indiana and Illinois. The chain is based in Columbus, Ohio.

"Going into the recession we were very strong, so the bottom line hasn't been affected yet," says Bob Wood, the folksy, talkative president of the company. "But from the unit growth standpoint, there's been no true growth for two to three years."

Wood says that sales at older stores, established for four to six years, have continued to grow, but newer units are taking longer to mature and they suffer by comparison.

Even in lower volume units, people line up at noon on Saturday and Sunday to enjoy one of Bob Evans' generous dinners. Wood says that he senses the greatest economic disturbance in Pittsburgh, Warren/Youngstown, metropolitan Detroit and northern Indiana, but units in other cities from Cleveland, Ohio, to Grand Rapids, Mich., are posting satisfying sales. All units on interstate highways are growing. "We appeal to travelers because of a low check average of around $5 per party," says Wood.

Bob Evans Farms opened 14 new units in the fiscal year ended April 30, and in the next 12 months will be stepping up expansion in both the Chicago and Pittsburgh areas.

Despite all this optimistic talk, there is undoubtedly suffering among some segments of the population in the industrial Midwest. In Detroit, for instance, the Food Industry Council of the Detroit Chamber of Commerce supports a Food Bank. The Michigan Restaurant Association, the United Auto Workers and others collect funds to buy food, which goes through the Food Bank to be distributed to 315 agencies that feed the hungry.

"We just had a drive and asked restaurateurs to go over their shelves to see what they could spare, and to ask their customers for donations," says Montague of the Michigan Res-

A hot air balloon promotes Waldo's Pizza Joynt in St. Cloud, Minn.

PHOTO BY DENN J. EVANS OF WALDO'S

A neon sign advertising Jim's is a surreal counterpoint to the Cleveland skyscape.

taurant Association. "In April a number of purveyors provided trucks to go around to pick up food. I go down and visit the agencies as part of the council. I see a different group of people than I used to: more middle class people who have run out of unemployment compensation."

Nevertheless, the truly hungry are the exception rather than the rule. To really understand the situation in the Midwest, one must understand the people.

"The rest of the country really underestimates the people of this region," says the OSRA's Paoletti. "Out-of-work people are completely readjusting their lives to get their heads above water again. They're finding ways of earning a living that they never dreamed of before. There's a certain group of people who despite everything will find a way to prosper. A lot have gone into business for themselves."

Two great waves of immigration populated the Midwest, the first in the 1800s and the second after the turn of the century. A promise of cheap farm land drew the first group, and the promise of jobs in the mines and the steel mills lured the second. All came for work, and with the expectation of working hard. Hard work is still a hallmark of Midwesterners, and virtually a tenet of religion to many.

Few Midwesterners actually live on the farm anymore. They have migrated to the region's towns and cities, but the descendants of the immigrant farmers are undeniably influenced by their heritage. "In the Midwest, people feel a closeness to the land," says Athanas. "The old values are still important."

Old values include reverence for the family, a sense of obligation to the larger community and a genuine spirit of cooperation that has been destroyed only in the largest cities. In a rural economy cooperation was vital to survival: no one could withstand drought or flood without the help of neighbors. Habits of cooperation and hospitality were passed on from grandfather to father to son, and probably help explain why hardship is not as widespread as it could be. People consider it their responsibility to take care of their own.

"People just don't change. They adjust," says OSRA's Paoletti. "They still lay plans for the future, they get married, they have kids. They may have to change their thoughts about a career, but in the long run that may be better. They still like to go out to eat, they like sporting events, and they find the money to do these things."

Other factors serve to blunt the sharp pain of recession. "Two-income families are a big factor, and so are the great numbers of single people," says Michigan's Montague. "If one person is out of a job, the other is still working. And with the UAW and various programs, people have gotten unemployment compensation for a longer time than in some other states."

Some of the factors that made the industrial states attractive to expanding restaurateurs still exist. The states are heavily populated, and for those who are still working average

PHOTO BY MARK C. SCHWARTZ
CONVENTION & VISITORS BUREAU OF GREATER CLEVELAND

income is considerably above that of the nation as a whole.

But what about the supposed flight of population from the industrial states to the Sunbelt? Midwesterners are unimpressed.

"I don't believe it," says Noble Roman's Athanas. "Statistically the Sunbelt states are growing faster than the midwestern states, but they started with a low population base. The heart of America is still here."

Economic forecasters say that if interest rates continue to drop and money once again flows easily through the key arteries of industry, recovery in the industrial heartland should be much stronger than nationally. These states also have a pool of skilled, hard-working employees and a good share of the country's natural resources, not the least being the water of the Great Lakes. The industrial states are not down for the count yet.

On the other hand, the industrial states cluster toward the bottom in a scale ranking "business climates" in various areas. On the scale, prepared by Alexander Grant & Co., Michigan was rated 48th, Ohio 44th, Illinois 42nd and Indiana 29th on such factors as labor costs, state-regulated employment costs and government fiscal policies. As other states try to lure their industry away, however, the industrial states are fighting back.

Michigan, for instance, has sharply increased its promotion budget, making venture capital and research facilities available to lure high-technology companies and taking legislative steps to improve the business climate. Recent changes in Michigan's worker's compensation laws will save employers between $300 million and $400 million yearly, officials say.

Moving west, some of the Midwestern farm states rank increasingly higher on the "business climate" scale, which could have implications for the future. North Dakota ranks fourth, Nebraska eighth, Kansas 10th and South Dakota 14th among all the states as offering a climate for business to flourish. Several of these states have "right to work" laws that keep union membership voluntary.

Total Population
(000)

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	11,092	11,431	11,532	3.1	0.9
Indiana	5,182	5,486	5,457	5.9	0.5
Iowa	2,820	2,914	2,835	3.3	2.7
Kansas	2,246	2,362	2,498	5.2	5.8
Michigan	8,857	9,253	9,209	4.5	0.5
Minnesota	3,794	4,072	4,100	7.3	0.7
Missouri	4,669	4,915	4,943	5.3	0.6
Nebraska	1,482	1,570	1,550	5.9	1.3
North Dakota	619	654	693	5.7	6.0
Ohio	10,634	10,800	10,736	1.6	0.6
South Dakota	667	690	697	3.4	1.0
Wisconsin	4,408	4,712	4,808	3.3	2.7
Regional total	56,470	58,859	59,058	4.2	0.3
U.S. total	202,805	226,517	248,276	11.7	9.6

Source: Data Resources Inc.

"A lot of industry is moving to South Dakota from Minnesota, which has affected volume in our units there," says Henry Crystal, who with two partners operates a chain of 28 family restaurants called The Embers in Minnesota, North and South Dakota, Iowa and Wisconsin. "It's cheaper to operate in South Dakota, taxes are less, and there are fewer petty regulations. However, there also isn't nearly the skilled labor."

The farming states are a distinct entity from the industrial states, but the farming states can't all be lumped together, either. Minnesota, Wisconsin and Missouri are much more heavily populated than the other farming states of North Dakota, South Dakota, Nebraska, Kansas and Iowa. In contrast to the flat, treeless prairies of the other farm states, Minnesota, Wisconsin and Missouri offer lakes, forests and a variety of vacation opportunities, so tourism has always been important. All three states are now promoting tourism to offset other losses.

Wisconsin and Minnesota also differ from other Midwestern states because of their reputation for moral conservatism combined with political liberalism, a blend probably associated with Scandinavian influence.

"We have liberal laws for unemployment compensation, welfare payments and worker's compensation, and we were the first state in

The landmark Charley's Crab in Troy, Mich., is owned by Detroit-based C.A. Muer Corp.

the country to enact a Clean Indoor Air Act," says Arnold Hewes of the Minnesota Hospitality Association. "A lot of people consider the climate anti-business. They say that unless some of these laws are changed we're going to drive businesses out—and some have left."

Liberal or conservative, all the breadbasket states share one precious quality. People say again and again, the quality of life can't be beat.

"This really is God's Country," says Ed Lump, executive vice president of the Wisconsin Restaurant Association. "With the winters here Wisconsin would be a hard place to tolerate if it wasn't such a great place."

Lump also notes that Wisconsin and the farming states have a reputation for cleanliness, both in restaurants and in government. "That's why they call us hicks. We do things a little more honestly. Scandals don't seem to run as deep," he says.

Denn Evans, who operates several Waldo's Pizza Joints in Minnesota, says he's never afraid. "I feel as comfortable in the heart of Minneapolis as I do in St. Cloud," he says.

The fabric of life in the breadbasket is intact because of the stability of the population, and it is precisely that stability that has kept some restaurant chains out. The population is not growing at a particularly fast clip, which on the bright side means that people have jobs and a place in society. On the other hand, there aren't a lot of new opportunities opening up, and restaurants that require a large population base don't flourish.

A towheaded Wisconsin boy happily savors a fresh ear of barbecued corn on the cob.

Total Nonagricultural Employment

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	4,344,446	4,867,492	5,102,904	12.0	4.8
Indiana	1,648,221	2,138,312	2,247,374	15.7	5.1
Iowa	876,173	1,110,298	1,162,873	26.7	4.7
Kansas	679,177	944,754	1,132,290	39.1	19.9
Michigan	2,999,743	3,443,847	3,579,084	14.8	3.9
Minnesota	1,315,990	1,770,919	2,020,217	34.6	14.1
Missouri	1,669,581	1,970,367	2,116,022	18.0	7.4
Nebraska	483,961	630,243	718,403	30.2	14.0
North Dakota	163,788	245,443	286,111	49.9	16.6
Ohio	3,881,363	4,368,296	4,530,908	12.5	3.7
South Dakota	175,440	238,137	287,187	35.7	20.6
Wisconsin	1,531,955	1,938,836	2,134,543	26.6	10.1
Regional total	19,969,838	23,666,944	25,317,916	18.5	7.0
U.S. total	70,683,172	90,907,374	105,537,485	28.6	16.1

Source: Data Resources Inc.

Many chains have moved into the middle-sized and small cities, though. Chi-Chi's is showing up in places like Fargo, N.D., and Des Moines. Everybody talks about Showbiz Pizza Place. Fast food units and restaurants that appeal to the family market seem to do well, and everybody likes pizza.

Godfather's and Pizza Hut both have their roots in the farm states, and the fastest growing pizza franchise in the country, Domino's, is based in Ann Arbor, Mich.

All in all, the people of America's breadbasket are conservative in responding to trends. Even in the small cities, however, a variety of ethnic restaurants are growing, and the larger cities such as Kansas City,

PHOTO: STATE OF WISCONSIN, DIV. OF TOURISM

St. Louis and Minneapolis/St. Paul offer dining as sophisticated as anywhere in the country. Outside of those areas, however, you're in the meat-and-potatoes belt.

"People here are very loyal, more conservative and less fickle than in other parts of the country," says Noble Roman's Athanas. "I have to take issue with a COEX speaker who said that the bellwether states are Colorado, California, Connecticut, etc. They may be the bellwether for fads, but the Midwest doesn't respond to fads."

"In the cities, the same things are popular as nationally, but out of the metro areas you can't go with a heavily-themed menu. A menu has to be broad to catch a lot of tastes because of the smaller populations," adds the Missouri Restaurant Association's Degen.

The Embers' Henry Crystal says that Midwesterners are not unlike people everywhere in insisting on value today. "When you boil out everything else, people everywhere in the country look for a quality product at a reasonable price," he says. "People have to get what they expect when they walk in the door or they won't be back."

Strong independents have long flourished in this region. Among them is Johnny's Cafe of Omaha, Neb., operated since 1964 by John Kawa. Kawa's father opened the restaurant in 1922.

Johnny's Cafe is the kind of restaurant you'll find in every Midwestern city of any size. The menu offers steak, seafood and prime rib, and banquets are an important part of the business. A 100-seat cocktail lounge supplements the business. Check averages range from $4.50 at lunch to $8.50 at dinner.

Omaha, with around 500,000 people, is the largest city in Nebraska. "People here are friendly, very easy to talk to and they like to accommodate," says Kawa. "We enjoy the slower pace. You just don't have the hubbub of Chicago or New York."

Throughout the farming states optimism runs high because of the U.S. government's new Partners in Kind (PIK) program. Midwestern farming states are afflicted by too much rather than too little: the U.S. is storing more grain than it will send overseas this year because of an unexpected slackening of demand for exports. Essentially, PIK will pay farmers not to plant crops, and farm prices should increase as the supply dwindles.

President Reagan also announced in January that he would more than double the credit available to foreign buyers of U.S. farm products, which should stimulate sales.

Weak farm prices are a perennial problem and farmers long have faced the vagaries of weather, so fiscal conservatism is a way of life in rural states. Whether restaurants have been badly affected by the economic situation mainly depends on management savvy. "I hear a little bit of all three: that restaurant sales are up, down, or holding steady,"

Total Women in the Workforce
(000)

				% change	
MIDWEST	**1970**	**1980**	**1990**	**'70-'80**	**'80-'90**
Illinois	1,676.5	2,150.5	2,516.1	28.3	17.0
Indiana	738.2	993.0	1,198.5	34.5	20.7
Iowa	392.7	555.8	694.2	41.5	24.9
Kansas	314.2	453.7	574.4	44.4	26.6
Michigan	1,163.8	1,548.3	1,854.9	33.0	19.8
Minnesota	556.4	828.0	1,070.6	48.8	29.3
Missouri	678.5	930.2	1,137.6	37.1	22.3
Nebraska	212.6	306.3	441.4	44.1	26.5
North Dakota	70.1	110.4	148.3	57.3	34.4
Ohio	1,469.7	1,911.8	2,257.9	30.1	18.1
South Dakota	84.4	123.8	158.4	46.6	28.0
Wisconsin	634.4	911.7	1,151.5	43.7	26.3
Regional total	7,991.6	10,823.4	13,203.8	35.4	22.0
U.S. total	28,929.8	41,672 2	53,083.1	44.0	27.4

Note: Rounded figures for states may not add to regional total.
Percentages based on unrounded data.
Source: Restaurant Business estimates for 1990. Census Bureau for 1970 and 1980 data.

Real Disposable Personal Income
(per capita, 1972$)

				% change	
MIDWEST	**1970**	**1980**	**1990**	**'70-'80**	**'80-'90**
Illinois	4,196	4,947	5,881	17.9	18.9
Indiana	3,475	4,220	4,918	21.4	16.5
Iowa	3,524	4,398	5,451	24.8	23.9
Kansas	3,502	4,663	5,992	33.2	28.5
Michigan	3,764	4,711	5,494	25.2	16.6
Minnesota	3,627	4,620	5,834	27.4	26.3
Missouri	3,445	4,190	5,147	21.6	22.8
Nebraska	3,487	4,293	5,680	23.1	32.3
North Dakota	2,979	4,067	5,683	36.5	39.7
Ohio	3,692	4,468	5,271	21.0	18.0
South Dakota	2,907	3,696	5,306	27.1	43.6
Wisconsin	3,511	4,442	5,159	26.5	16.1
Regional total	3,705	4,547	5,467	22.7	20.2
U.S. total	$3,670	$4,495	$5,425	22.5	20.7

Note: Disposable personal income is equivalent to after-tax income and indicates what consumers actually have available for spending. Source: Data Rescurces Inc.

says Les Davis, executive secretary of the Iowa Restaurant Association headquartered in Des Moines, the largest city in the state with a population of 250,000.

Helen Haase, co-owner with her brother Ben Vidricksen of Vidricksen's Foodservice in Salina, Kan., agrees. "Kansas is pretty stable," she says. "We've only felt the effect of weak farm prices in the last year. However, I see a long-term trend of independent restaurants closing here. At its peak Salina probably had 20 to 25 individually owned restaurants. Now there are only four or five. The rest are fast food."

Mrs. Haase explains that Salina is heavily dependent on agriculture, while cities such as Kansas City (Kan.), Wichita and Topeka have a diversified base of light industry and service. These cities have been affected far less by farm prices than Salina. Even in Salina—a city of some 39,000 people in the central part of the state—the unemployment rate peaked at six percent.

Vidricksen's consists of a catering business, a family restaurant seating 150 called Betty's Fried Chicken, a private restaurant serving liquor called the Cavalier Club and a tavern called the Red Hen Lounge. The Red Hen Lounge sells 3.2 beer, primarily to young people between the ages of 18 and 21. Age 21 is the legal drinking age for hard liquor in Kansas, but a series of complicated laws govern exactly how liquor can and cannot be served. Up until several years ago someone desiring to buy a drink of liquor had to purchase a membership to a private "club," wait 10 days, and then buy into a "liquor pool."

Several years ago restaurants got a boost when the laws were relaxed so that private clubs could reciprocate membership. That means that an individual must wait 10 days to get his first membership, but membership is reciprocal with a number of clubs throughout the state. The Cavalier Club, for instance, reciprocates with 200 clubs in every part of the state, says Mrs. Haase. Guests in hotels and motels are exempt from the waiting period requirement.

Mrs. Haase in Salina, Kan., may have little in common with Spiro Athanas of Indianapolis. And the Ukrainian mill-worker in Youngstown seems worlds removed from the German wheat farmer in western Nebraska. It's hard to make sweeping generalizations about the Midwestern states.

But one thing can be said: Visiting the Midwestern states and talking with people inspires hope in the future of the U.S. People here speak of stability and values. They brag about quality of life. One feels very strongly that these are the kind of people who built America: hard-working, straightforward, not inclined toward frivolity.

The Missouri Restaurant Association's Carl Degen sums it up this way: "We are solid, we are steady, we're not spectacular. But that's the Midwest."

And Noble Roman's Athanas adds: "Here, there is structure to society. The people of the Midwest are very resilient; they will endure; they will find a way to make the economy come back."

—Jacque White Kochak

Total Households (000)

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	3,524.1	4,074.9	4,598.0	15.6	12.8
Indiana	1,618.6	1,939.3	2,160.3	19.8	11.4
Iowa	900.5	1,059.8	1,242.6	17.7	17.2
Kansas	730.1	879.2	1,043.1	20.4	18.6
Michigan	2,670.1	3,214.4	3,757.8	20.4	16.9
Minnesota	1,160.0	1,457.3	1,729.4	25.6	18.7
Missouri	1,530.6	1,808.5	2,103.5	18.2	16.3
Nebraska	476.3	575.9	675.6	20.9	17.3
North Dakota	183.3	229.6	286.0	25.3	24.6
Ohio	3,311.9	3,860.0	4,276.3	16.5	10.8
South Dakota	203.0	244.0	283.4	20.2	16.1
Wisconsin	1,337.1	1,671.4	1,955.5	25.0	17.0
Regional total	17,645.6	21,014.3	24,111.5	19.1	14.7
U.S. total	63,792.2	81,145.7	96,312.8	27.2	18.7

Source: Chase Econometrics/Regional Data Associates.

Population Per Restaurant

MIDWEST	Number of units*	Population per unit**
Illinois	13,963	823
Indiana	6,549	846
Iowa	3,728	788
Kansas	3,123	766
Michigan	9,871	944
Minnesota	4,322	958
Missouri	5,945	837
Nebraska	1,966	809
North Dakota	853	777
Ohio	12,551	863
South Dakota	974	718
Wisconsin	5,802	822
Regional total	69,647	852
U.S. total (48 states, & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group.
**Spring 1982 **Population Dec. 31, 1981*

SOUTHEAST

DELAWARE • WASHINGTON, D.C. • FLORIDA • GEORGIA • MARYLAND
NORTH CAROLINA • SOUTH CAROLINA • WEST VIRGINIA • ALABAMA
KENTUCKY • MISSISSIPPI • TENNESSEE • ARKANSAS • LOUISIANA • VIRGINIA

Southeasterners enjoy a casual lifestyle—the outdoors, family, friends, good times and Southern hospitality, which is not only appreciated, but demanded and expected.

Traditionally a conservative lot, largely influenced by both family and religious ties, Southeasterners have long been viewed as firmly entrenched in their own "down home" culture. These perceptions are in many ways true, particularly in the deeper portions of the South. Religious and kindred foundations weigh heavily here, perhaps more so than any other region in the U.S.

From Wilmington, Delaware to Lake Charles, Louisiana, from Norfolk, Virginia to the Florida Keys, from the coal country of West Virginia to the Carolina coastline, Southeasterners are devoted to their Early American heritage as well. Some of the first states of the union grew out of the region. Many a Colonial era and Civil War battle was fought here. These sites remain today national monuments to a time past—a time which people of the South look back on with pride. It has not been forgotten by them that "the South will rise again," many feel it never fell.

Southeasterners, by and large, don a casual lifestyle. Because of mild climate throughout most of the region, a great deal of their time is spent outdoors. Families are important, as are friends, good times and hospitality.

Not unlike other areas throughout the country, Southeastern consumers demand high quality food at a good value. What differentiates this group from others, though, is its heavy emphasis on service. Southern hospitality is not only appreciated, it is demanded and expected.

"I don't think that there's as great an emphasis placed on warm, friendly service anywhere as down here," notes Judy Shute, executive vice president of the Mississippi Restaurant Association. "The South's greatest product is hospitality, and we're very conscious of that. It's just part of our culture, I think, and people from all over have almost grown to expect special service from us."

Thus, it is not uncommon among family restaurants in the Southeast for children to gain the attentions of waiters, waitresses, cashiers and managers as a means of enhancing the family dining experience.

As high technology industries—electronics and computer firms—further spread through the region, so does a growing white collar population, which was at one time hardly noticeable here. As the population becomes more sophisticated, so do tastes in lifestyles, and many of the region's major cities—Atlanta or Charleston, for example—grow to be more cosmopolitan. One South Carolinian, Mike Tolomea, executive director of the Charleston Restaurant Association, notes that "The Southeast is just getting a bead on the rest of the country."

As would be the case in any developing city, Tolomea's assessment is true of the region's growing cities. However, the people of the Southeast are by far more possessing of traditional tastes in lifestyle, and remain largely unaffected by major developments in the boom cities.

Traditional Southern cooking—"real" Southern fried chicken, which is pan-fried with a very thick outside batter, pork chops and gravy, mashed potatoes and greens—abounds in the region, particularly in areas outside major metropolitan markets. However, in order to find this wealth of down home cuisine, one must usually go off the beaten path, away from major highway interchanges, into more sparsely populated areas, comprised mostly of local, blue collar workers. Major cities, which cater substantially to tourism and convention business, focus far less on these traditional Southern dishes than do smaller areas. The majority of restaurants known for their Southern cooking are small, independently owned operations.

It is said, according to *Southern Living* magazine, "there are three topics on which Southerners will never agree: religion, politics, and barbecue. But there is one common trait all share: We do love barbecue."

Typical of the roadside, independent-dominated market, barbecue is said to have been born in the Southeast, spreading later across the Southwest. Barbecue styles vary greatly and change frequently from state to state. Sauces range from

PHOTO BY LEO DE WYS

"There are three topics on which Southerners will never agree: religion, politics and barbecue. But there is one common trait all share: We do love barbecue."

sweet to red hot; side dishes vary, from cole slaw and baked beans to french fries or Brunswick stew. Barbecue can be beef or pork, mutton or goat, ribs or chicken, even sausage.

Southeasterners often plan mammoth celebrations around barbeque. Kentucky's International Bar-B-Q Festival, held every April in Owensboro, spans three blocks downtown. Lined with barbecue pyres, and blanketed by smoke, Kentucky's annual festival is more readily referred to as "The Burning of Owensboro," by native Kentuckians.

Today, barbecue still accounts for most of the food consumed at holiday celebrations in the South—family reunions, church homecomings, even political gatherings. *Southern Living* reports that a Virginia law in the 1600s even prohibited firearms to be shot during barbecues.

Over the years, though, a craving for this mouth-watering finger food has swept across the whole country. Rib dinnerhouses, a far cry from Goldie's Trail Bar-B-Que, for 20 years operating on the banks of the Mississippi River, in Vicksburg, are growing in metropolitan markets. Tony Roma's A Place for Ribs, probably the best known of rib dinnerhouses, first opened in North Miami, in 1972, only to expand quickly to other markets. Fort Lauderdale-based Bobby Rubino's Place for Ribs; Oh! Brian's, now owned by Golden Corral, which first began cooking ribs in 1980; Jilly's The Place for Ribs, in Atlanta; and Red River Rib Company, in Richmond, Va., have all brought barbecued ribs into cosmopolitan areas, as even the more affluent try drowning their fingers in sticky sauces.

Keeping in the tradition of what goes over best in the Southeast (good food at a good price) rib dinners have a high value perception. And as a result barbecue cafeterias have also become popular. Fat Boy's Bar-B-Q, Miami, features barbecue beef and pork products, targeting the fast food consumer, for instance.

"The people of South Carolina have conservative eating habits," says John Riddick, executive director of the South Carolina Restaurant Association. "People—the majority of them anyway—just don't have the money to go out. And when they do, most seem to go to the family-type or fast food restaurants, where they can get a good value for their dollar. That's important. This sense of economizing exists statewide, except for our tourism areas."

Though the biting recession has had far reaching effects, the nation's Southeastern region—jarred by a downturn in tourism and manufacturing—remains somewhat less scarred than other regions. The Southeast has never been geared toward heavy manufacturing, hit hardest during recessionary times. Instead, with its fair climate, the region has concentrated on light manufacturing, such as textiles, and service industries. These too are affected in a down economy, though not nearly as much as the nation's manufacturing base—steel, auto and heavy equipment manufacturing—

Paul Prudhomme, center, of K-Paul's, says "food and fun is important in New Orleans."

PHOTO BY DAN WYNN

on which the Southeast's economy has only moderate dependence.

During 1980 and early 1981, Florida and Georgia, both having relatively service-oriented economies, warded off the national downward trend. Both, however, did begin feeling the effects of recession in late '81, and continued with a less than encouraging '82.

Alabama, Mississippi and Tennessee, having manufacturing-oriented economies, suffered in both '81 and '82, though new plants under construction in Alabama and Mississippi last year reflected some signs of recovery. Mississippi's economy, greatly dependent on reviving its lumber and wood products industries, must, experts say, show a strengthening in construction in order to begin feeling any positive effects.

Employment throughout the region has been about flat during the past couple of years, though last year eight of the 14 Southeastern states went above the national unemployment average of 9.7 percent. Alabama and West Virginia noted 14.4 percent and 13.9 percent unemployment respectively in 1982.

Total Population (000)

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	3,443	3,889	4,139	13.0	6.4
Arkansas	1,920	2,292	2,545	19.4	11.0
Delaware	546	597	652	9.3	9.2
Dist. of Columbia	758	642	582	(15.3)	(9.3)
Florida	6,753	9,773	12,611	44.7	29.0
Georgia	4,579	5,459	6,225	19.2	14.0
Kentucky	3,215	3,658	3,869	13.8	5.8
Louisiana	3,639	4,201	5,039	15.4	19.9
Maryland	3,910	4,225	4,550	8.1	7.7
Mississippi	2,218	2,519	2,760	13.6	9.6
North Carolina	5,071	5,867	6,500	15.7	10.8
South Carolina	2,586	3,117	3,531	20.5	14.9
Tennessee	3,919	4,579	4,827	16.8	5.4
Virginia	4,642	5,353	6,008	15.3	12.2
West Virginia	1,745	1,947	2,021	11.6	3.8
Regional total	48,944	58,118	65,909	18.7	13.4
U.S. total	202,805	226,517	248,276	11.7	9.6

Source: Data Resources Inc.

Hard times have come to Southeastern residents. Some automobile manufacturing plants are scattered throughout the region, and have followed the national trend, cutting back production and raising unemployment. But other support industries, which employ a greater amount of Southeasterners, have been affected as well. Textile manufacturers depend on the auto indus-

Mike Hurst's 15th St. Fisherie is a destination spot for seafood in Ft. Lauderdale, Fla.

Total Nonagricultural Employment

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	1,010,496	1,356,366	1,534,452	34.2	13.1
Arkansas	536,225	742,468	800,020	38.5	7.8
Delaware	216,798	259,264	299,074	19.6	15.4
Dist. of Columbia	566,794	616,128	661,027	8.7	7.3
Florida	2,151,941	3,576,453	4,789,985	66.2	33.9
Georgia	1,559,304	2,159,432	2,582,243	38.5	19.6
Kentucky	910,549	1,210,075	1,345,702	32.9	11.2
Louisiana	1,033,753	1,578,830	1,906,112	52.7	20.7
Maryland	1,349,189	1,712,217	1,994,348	26.9	16.5
Mississippi	584,420	829,751	971,139	41.9	17.1
North Carolina	1,784,281	2,385,346	2,730,058	33.7	14.5
South Carolina	842,638	1,187,490	1,396,437	40.9	17.6
Tennessee	1,328,681	1,747,501	1,964,680	31.5	12.4
Virginia	1,518,805	2,157,350	2,587,219	42.0	19.9
West Virginia	516,403	646,156	677,086	25.1	4.8
Regional total	15,910,277	22,164,427	26,239,582	39.3	18.4
U.S. total	70,683,172	90,907,374	105,537,485	28.6	16.1

Source: Data Resources Inc.

Total Women in the Workforce (000)

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	443.5	633.6	796.5	42.9	25.7
Arkansas	245.2	374.7	493.5	52.8	31.7
Delaware	79.3	114.2	144.3	44.0	26.4
Dist. of Columbia	163.6	156.2	152.0	(4.5)	(2.7)
Florida	963.1	1,787.0	2,703.8	85.5	51.3
Georgia	697.8	1,019.8	1,302.2	46.1	27.7
Kentucky	391.1	552.9	690.1	41.4	24.8
Louisiana	408.4	652.0	885.5	59.6	35.8
Maryland	591.9	870.8	1,117.2	47.1	28.3
Mississippi	279.4	409.1	523.2	46.4	27.9
North Carolina	807.5	1,191.8	1,532.7	47.6	28.6
South Carolina	384.5	589.6	778.3	53.3	32.0
Tennessee	562.6	820.6	1,046.2	45.9	27.5
Virginia	669.1	1,051.4	1,412.1	57.1	34.3
West Virginia	180.4	258.5	325.8	43.3	26.0
Regional total	6,867.5	10,482.3	13,551.0	52.6	29.3
U.S. total	28,929.8	41,672.2	53,083.1	44.0	27.4

Note: Rounded figures for states may not add to regional total.
Percentages based on unrounded data.
Source: Restaurant Business estimates for 1990. Census Bureau for 1970 and 1980 data.

ry needing fabrics and carpeting for automobile interiors. Textile makers also supply the housing industry, which has also been in trouble nationally.

In areas like West Virginia and Kentucky, widespread layoffs in coal mines have been significant to area workers. An estimated 80,000 coal miners are said to be out of work, in fact. And oil and gas industries in Louisiana, employing a similar blue collar work force, has also been depressed, leaving many a Southeasterner unable to dine out regularly, many having to cut out away from home dining altogether.

Though per capita income in the Southeast increased 26 percent, from 1970 to 1980, above the national average increase of 22.5 percent, the region has the lowest income per capita in the country. And projections are that this trend should continue into 1990. Much of the reason for this is the Southeast's preference for non-unionized labor. Unlike the Northeast, for example, where industry is heavily tied into a unionized workforce, the Southeast has historically shunned organized labor. Southeastern states, in fact, partially rely on their lower labor costs to attract new business.

However, much of the Southeast's strength is undoubtedly secured by its ability to attract tourism. Its predominantly mild climate allows the region more than a healthy share of tourism dollars, in fact. Lined with attractive beaches and resorts, one after another, warm weather seekers repeatedly flock to the region's many coastal areas—some for only a brief vacation, others for entire seasons of respite.

Of the 14 states grouped into the Southeast region, all but four—West Virginia, Kentucky, Tennessee and Arkansas—have coastal areas. All the states within the region benefit from travelers going to and from the coast, though the ones with a shoreline more readily attract vacationers.

Florida, the region's most Southeasterly state, draws the greatest amount of tourists, its tropical climate attractive to Northeasterners and Midwesterners alike. But then, Virginia has Virginia Beach, Maryland, Ocean City, and Louisiana, New Orleans—all very important to those states' economies. Even Delaware, far less known for its climate or beauty, has Rehoboth Beach, just 10 miles from Ocean City and a major seasonal state tourist area.

The sunny Southeast is also a haven for retirees, and in some areas, like Florida, economies rely heavily on dollars generated by senior citizens. Broward County, Fla., which includes Hollywood and Fort Lauderdale, places retirement second

PHOTO BY DAN WYNN

only to tourism in its major sectors of economy, followed by construction and manufacturing.

Retirees' casual lifestyle reflects that of the region. Cafeteria-type restaurants and mid-priced concepts do well in servicing this age group. Blue plate specials and light meals are usually preferred by the elderly. Casual, informal decor is also sought after by this group, which predominantly prefers sit-down service over fast food.

Military personnel are also well represented in the Southeast. And because of them, fast food and family restaurants will always be in demand. Military installations cover the region, and a number of weapons manufacturers have plants in some states. Defense constitutes Georgia's largest industry sector. In addition, many federal programs throughout the region are administered from the state's largest city, Atlanta.

All five of Georgia's major cities—Atlanta, Savannah, Columbus, Macon and Augusta—have military installations in their areas. And, according to Robert R. King, president of the Georgia Hospitality and Travel Association, the Reagan Administration's policy calling for more money for military expenditures is helping the Southeast. Military personnel, he says, are able to remain in and support an area's economy under the Administration's policies, rather than being shifted in and out of an installation because of insufficient funds to fully operate a base.

As high technology industries continue to spread throughout the region, so does a growing white collar population with more sophisticated tastes and lifestyles.

Military personnel largely patronize fast food restaurants. They often are based alone in the area, without family or friends in nearby areas. Or, oftentimes, entire families are stationed on or nearby a military base, in government-subsidized housing.

Outside of the region's major urban centers and resorts, the Southeast isn't a region that greatly supports fine dining. Fast food, family restaurants, mid-price dinnerhouse chains, and small independents cater more to the region's total population and lifestyle. The Southeast's down home population more readily supports the high value, low- to mid-priced concepts—places they can feel comfortable, relaxed, and have a friendly face waiting on them.

"We like to think that Southern hospitality begins in Kentucky," says James R. Willman, director of

Fine dining attracts an upscale clientele at the Atlanta Hyatt.

The economic strength of the Southeast is secured by its ability to attract tourism. Travelers flock to the region's mild climate, coastal areas, resorts and tourist attractions.

operations, The Drawbridge Inn, Ft. Mitchell, Kentucky. Southern hospitality, he says, "means down home cooking, a lot of family togetherness and really friendly service. People are slow talking, hospitable, and in a lot of restaurants people will even go out of their way to just make you feel like you're at home. People from the South really expect this sort of service, and so do the visitors."

Southern hospitality may well enhance the region's overall flavor. But demographics and economics present some telling accounts of areas which have attributes of varied scope.

The Washington, D.C./Northern Virginia/Baltimore, Maryland area for instance, is a far cry from the bulk of the Southeast region. The hub of the nation's capital, a large percentage of this area's population is either directly or indirectly dependent on the Federal government for employment. Politicians, diplomats, lobbyists, trade association representatives, scientific and educational researchers, clerical workers, and others abound in the area. In D.C., Baltimore and Northern Virginia, unemployment was below the national average last year, the District of Columbia's January '83 unemployment figure at just 5.8 percent.

Having a high percentage of affluent consumers, the incidence of dining out is above average in D.C. and Northern Va. In the D.C. metro area, consumers spend 26 percent more on food away from home than the national average. The Washington, D.C. metro area also has the highest number of restaurants on a per capita basis than any of the 14 states in the region—one restaurant per 645 people. Per capita income in the D.C. metro area is higher than any of the Southeastern states.

The inner city of D.C. and Baltimore also have high concentrations of blacks. These two cities are prime territories for fried chicken, with some areas housing up to a dozen fast food chicken outlets in a market estimated at $25 million annually.

Baltimore-based Chicken George is having unexpected success in both markets. Company executives characterize Chicken George's customers as 34 years old, married and from a family unit of three members; earnings are said to be between $15,000 and $20,000. Chicken George, which has a high percentage of black customers, prepares products which are low in salt, in response to its clientele's problem with high blood pressure.

While the region's tropical base has Disneyworld, its upper crescent has an equally strong tourist draw in Baltimore's Harbor Place. Up until this year, with the advent of EPCOT in Florida, Harbor Place drew more people than Disneyworld. Drawing 18 million people annually, 65 percent of Harbor Place's retail sales space is food related.

The District of Columbia/Northern Virginia market area is dominated by a white collar consumer base, having a great many two-income households. Thus it is not surprising that value-oriented family restaurants predominate, like the Chesapeake Bay Seafood House, which offers 12 all-you-can-eat seafood dishes.

"Seafood is important in this area," says William Easby-Smith, a partner in the 16-unit chain. "The white collar group is particularly health conscious as well, and fish is a perfect item to complement their kind of diet."

Evans Farms is located just 10 miles from the White House, in McLean, Va. Owner, Ralph Evans, explains that consumers in the Northern portions of the Southeast are changing more rapidly than their confederates in the deep South.

"Our customers are becoming more sophisticated. They're much more apt to buy a rack of lamb today than a barbecued chicken," says Evans, adding that this has been his own experience, not necessarily an industrywide trend.

"Our customers are heavily professional, which isn't the case with the rest of the Southeast," Evans adds. "They're the people who eat out pretty often. Though, as you move into other parts of the state, eating habits of the local populations become less frequent because disposable income isn't as high as it is

Walt Disney World and EPCOT, below, will attract over 20 million visitors in 1983.

PHOTO: WALT DISNEY PRODUCTIONS

here."

Fast food and family restaurants are becoming quickly the predominant force in Virginia Beach, for example, the largest city in the commonwealth, with a population of 285,000. Tourism and military personnel are most heavily relied upon here.

"Our market is shrinking and the fast food and family concepts are growing," says Michael Savites, owner of a Black Angus restaurant in Virginia Beach and president-elect of the Virginia Beach Chamber of Commerce. "We do not have a homogeneous clientele here," he says. "We have a heterogeneous customer base—military families, advisors, consultants and training personnel, and light industry employees, salesmen and tourists from all over the country."

Moving further South, breakfast has grown to become an important part of total restaurant sales. Many say that the region's climate is what brings people out early in the day, others attribute this trend to Southeasterners basic love for their morning-meal foods.

Biscuit breakfasts, introduced in the fast food chain segment in the Southeast by Rocky Mount, N.C.-based Hardee's, in 1978, have grown in popularity nationally. Biscuit breakfasts are now part of a slew of fried chicken chains' menus, such as Popeye's and Mrs. Winners, among others, and many other fast food restaurants have either begun or are in the planning stages of introducing biscuit breakfasts.

Breakfast bars are also a popular concept in the Southeast. Tennessee-based Shoney's has gone national with its all-you-can-eat breakfast bar, after a very successful test last year in the Southeast.

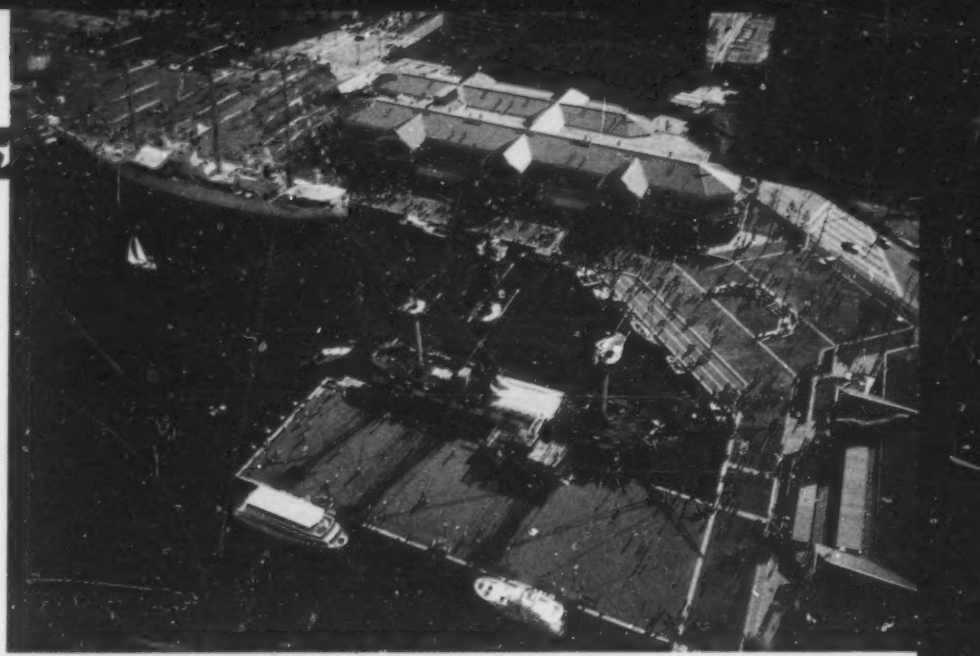
"People in the South like going out for breakfast," says Stewart P. McLaurin, executive director of the Alabama Restaurant and Food Service Association. McLaurin also points to a shift toward family dining in Alabama.

"Churches are growing and so are schools," he says. "Over the past couple of years, the church's influence has grown to be stronger here than in recent years. People are beginning to see the value of other-than-worldly things. Families are becoming more unified again, hence dining as a unit is becoming more important to the industry."

"There is a real need for family-type restaurants in Alabama," he goes on. "The restaurants that are coming up now cater to the family unit—basic, not fancy decor, inexpensive, plain menus, good food and super service. Service, of course, will always be top priority in this part of the country."

But nowhere in the region are consumers more discriminating than in New Orleans, its Cajun and Creole cuisine, long this restaurant city's trademark.

"People in New Orleans dine out a lot," says Jim Funk, executive vice president of the Louisiana Restaurant Association. "They're also particular about the food they eat. Though most can overlook bad food once, a second time and you've had it."



Until this year, Baltimore's Harbor Place drew more tourists than Disney World.

Real Disposable Personal Income
(per capita, 1972$)

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	2,695	3,513	4,223	30.4	20.2
Arkansas	2,583	3,385	3,818	31.0	12.8
Delaware	4,209	4,846	5,604	15.1	15.6
Dist. of Columbia	4,408	5,656	7,022	28.3	24.2
Florida	3,549	4,275	5,117	20.5	19.7
Georgia	3,097	3,801	4,602	22.7	21.1
Kentucky	2,883	3,623	4,265	25.7	17.7
Louisiana	2,826	3,996	4,802	41.4	20.2
Maryland	4,034	4,939	5,899	22.4	19.4
Mississippi	2,372	3,100	3,875	30.7	25.0
North Carolina	3,000	3,704	4,614	23.5	24.6
South Carolina	2,770	3,434	4,113	24.0	19.8
Tennessee	2,883	3,648	4,520	26.5	23.9
Virginia	3,452	4,436	5,517	28.5	24.4
West Virginia	2,822	3,696	4,241	31.0	14.7
Regional total	3,131	3,945	4,773	26.0	21.0
U.S. total	$3,670	$4,495	$5,425	22.5	20.7

Note: Disposable personal income is equivalent to after-tax income and indicates what consumers actually have available for spending. Source: Data Resources Inc.

PHOTO: BALTIMORE OFFICE OF PROMOTION & TOURISM

"Dining out here is an experience, not just a time to go out and have dinner," adds Funk. "Very often you'll go to a restaurant at 7:30 and not come out until 11:00. In fact, one of the most common questions among friends in New Orleans is 'What restaurant have you eaten in lately?' "

"What's important in New Orleans is the food and fun," says Paul Prudhomme, owner of K-Paul's Louisiana Kitchen, a popular spot where both Cajun and Creole food is offered and where the lines to get in frequently wind around the block.

But Louisiana has its difficulties too, and consumers in portions of the state aren't as dining conscious as in New Orleans. The state's oil and gas industry is currently depressed. In Houma, southwest of New Orleans and a major center for the oil and gas industry, restaurant sales are down, according to Funk, because of widespread layoffs that have hit its blue collar work force. In Lafayette, the state's leading oil center, restaurants are also hurting. Oil companies have cut back on expense accounts for executives as the industry has slowed. And unemployment in Lafayette, usually lower, is now around seven percent.

Hospitality is the second largest industry in New Orleans, behind importing/exporting business generated by its seaport; and the third largest industry statewide, behind the oil and gas industries.

Restaurant sales in New Orleans have been off too, a slow convention season last year the main culprit. Business did pick up during Mardi Gras, says Funk, though not in Houma and Lafayette.

Family tourism is most prevalent in Louisiana, except for New Orleans. There the hospitality industry depends mostly on conventioneers and trade show attendees. New Orleans has high hopes for the 1984 World's Fair, which it will host, and a new exhibition hall which is now under construction.

In some instances, Louisiana's situation is similar to that of the entire region. Portions of the state, where major industry is hurt by recession, wait for recovery, while trying to attract new industries at the same time and create added jobs for its population. Other areas, highly dependent on tourism, have experienced a slump during the past couple of years, hoping that the economy picks up and people will become more free to travel. But, throughout good and bad times, and amidst changing, mixing populations born by Northerners moving South, native Southeasterners hold true to their culture."

"I think Northerners have to adapt to our lifestyle, rather than the other way around," says Mississippi's Shute. "We Southerners just keep right on going."

—Ralph J. Raffio

Total Households (000)

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	1,038.3	1,352.0	1,527.8	30.2	13.0
Arkansas	616.9	826.2	934.5	33.9	13.1
Delaware	165.4	209.1	243.3	26.4	16.4
Dist. of Columbia	263.3	254.3	310.9	(3.4)	22.3
Florida	2,300.6	3,820.2	4,787.2	66.1	25.3
Georgia	1,378.1	1,890.0	2,374.0	37.1	25.6
Kentucky	988.6	1,272.1	1,416.4	28.7	11.3
Louisiana	1,056.3	1,426.4	1,778.7	35.0	24.7
Maryland	1,181.7	1,473.0	1,788.3	24.7	21.4
Mississippi	639.6	833.6	918.8	30.3	10.2
North Carolina	1,520.4	2,058.7	2,452.1	35.4	19.1
South Carolina	738.0	1,039.0	1,259.6	40.8	21.2
Tennessee	1,218.7	1,630.6	1,869.5	33.8	14.7
Virginia	1,400.4	1,880.1	2,325.1	34.3	23.7
West Virginia	548.6	691.1	773.3	26.0	11.9
Regional total	15,054.9	20,656.4	24,759.5	37.2	20.0
U.S. total	63,792.2	81,145.7	96,312.8	27.2	18.7

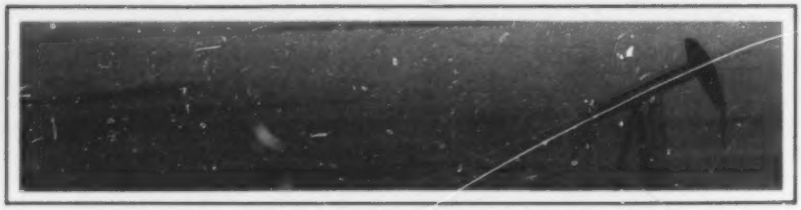
Source: Chase Econometrics/Regional Data Associates.

Population Per Restaurant

SOUTHEAST	Number of units*	Population per unit**
Alabama	3,736	1,062
Arkansas	2,804	838
Delaware	657	918
District of Columbia	951	645
Florida	12,829	806
Georgia	6,119	920
Kentucky	3,723	1,005
Louisiana	4,432	974
Maryland	3,444	1,240
Mississippi	2,633	976
North Carolina	6,592	912
South Carolina	3,298	972
Tennessee	5,271	893
Virginia	5,624	972
West Virginia	1,656	1,202
Regional total	63,769	937
U.S. total (48 states, & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group.
**Spring 1982 **Population Dec. 31, 1981*

SOUTHWEST



OKLAHOMA • NEW MEXICO • TEXAS • ARIZONA

Millions of Americans have been drawn to this region's climate and abundant resources, bringing with them the taste for many different kinds of food.

From the golden wheat fields of Oklahoma and the oil-laden Texas plains to the mineral-rich mountains of New Mexico and the breathtaking diversity of Arizona, the Southwest continues to project the image of a land of opportunity.

Because of the temperate climate, which attracts and holds a population that enjoys a casual but fast-paced lifestyle, the Southwest is fertile ground for fast food chains. Fast food sales nationally were up 3.1 percent in 1981 and 6.1 percent in 1982 with a 4.5 percent increase projected for this year, and fast food industry analysts say that the Southwest figures prominently in the segment's consistent and impressive growth pattern.

The Southwest has more to offer than climate, however. In addition to history and beauty, the Southwestern states of Oklahoma, Texas, New Mexico and Arizona are rich in both the natural resources needed by modern industry--copper, silver, coal, natural gas and oil—and the agricultural assets vital to consumers both in the U.S. and abroad.

Many have described the region as "insulated from" or "bypassed by" the recession. As a result, literally millions of Americans have gone west, taking with them the taste for many different ethnic and continental foods.

From 1970 to 1980, in the Dallas/Fort Worth metro area alone, population increased by 25 percent to reach nearly three million. According to SMSA figures the influx continued at a rate of 4.1 percent from 1980 to 1982.

"These people range from IBM and American Airlines executives to blue collar workers moving in from depressed Eastern and Midwestern cities like Pittsburgh and Detroit," says Hancel Deaton, executive editor of *D* Magazine.

Growth in the Phoenix metro area has been even more staggering, considering national publicity about copper mine closings and the negative impact that the devaluation of the Mexican peso has had on Arizona's economy. The Phoenix Chamber of Commerce reports that the population grew 55 percent between 1970 and 1980, and estimates an increase of 6.2 percent from 1980 to 1982. Total population now has reached 2.9 million.

Although the populations of New Mexico and Oklahoma have not increased at such a rapid rate, both states report consistent increases every year for the past decade.

The Southwest is experiencing growing pains, however. This once "recession-proof" region is feeling the influx of the unemployed from the East and North, as well as some specific aspects of the recession: falling oil prices, declining government employment, problems in the high technology sector, slowdowns in construction, deflated copper prices and foreign competition.

The usual rosy forecast for the Southwestern states is decidedly more conservative for the near term. According to the states' DES statistics, unemployment figures as of December 1982 were: Oklahoma, 6 percent; Texas, 7.4 percent; New Mexico, 9.5 percent; and Arizona, 10.1 percent. All remained under the December national average of 10.4 percent, but all showed increases over the first half of 1982.

Adding to unemployment are state and local government problems. In areas like the Southwest, rapid growth of the government sector once seemed a permanent factor in the employment picture.

In addition, the Southwestern states may fall victim to the idea that distribution of government aid should be skewed toward more populous states.

Not only could government personnel be added to unemployment rosters, but states could be forced to shoulder at least a percentage of the cost of social programs formerly absorbed by the federal budget.

Also affecting the region's economic health are the weak final markets and high interest rates that are depressing the agricultural sector.

As Tony Sissons, DES representative in Phoenix, says: "The Southwest hasn't been bypassed by the recession, we've simply lagged behind the rest of the nation and now we're beginning to catch up."

Consumers affected by unemploy-

PHOTO: IMAGE BANK

The region's inhabitants tend to be young, well-educated, affluent, and mobile. Two-income households abound in such cities as Phoenix, Dallas, Oklahoma City and Albuquerque.

ment are reacting in two ways, according to restaurateurs throughout the four states. "With the economy so tight we find more and more customers looking for a good value for the dollar," says Ray Dini, manager of a Coco's coffee shop in Phoenix.

Those who have money are still willing to spend it, however. "Of course, they expect top quality for a higher ticket meal and they choose their restaurants accordingly—we can never let down on quality because our customers will take their dollars elsewhere," says John Thacker, food and beverage director of the Loews Anatole Hotel in Dallas.

Economists project a bright outlook for the region over the long term despite present problems. The region felt some of the negative effects of the recession in 1982, but decreases in construction, auto sales and purchase of big ticket consumer durables have been only half the decrease nationwide.

"Actually, beyond the near term it is difficult to envision any scenario in which the region does not outperform the nation," says another regional economist.

Today, as oil prices stabilize, copper mines reopen and unemployment figures level out, the economists' assessments appear valid. Regional employment and per capita income increases further support their outlook. The population of the Southwest has enjoyed a 63.4 percent gain in employment (more than twice the national average) and a 34.4 percent increase in per capita income (half again as much as the national average) between 1970 and 1980. While projections indicate a slowing in these growth rates, forecasts show that the Southwest will continue to lead the country in growth of employment and income.

The region's economy is further buoyed by tourists' continued love affair with the Sunbelt. Department of Tourism figures for all four states continue to soar. In New Mexico, where tourism is the state's second largest industry, the tourism department reports that over the past five years out-of-state traffic on highways alone has increased from 4.4 billion travelers in 1978 to 6.2 billion travelers in 1982.

"We're just beginning to be recognized as a Sunbelt state," notes New Mexico Restaurant Association director Jack Ruggs.

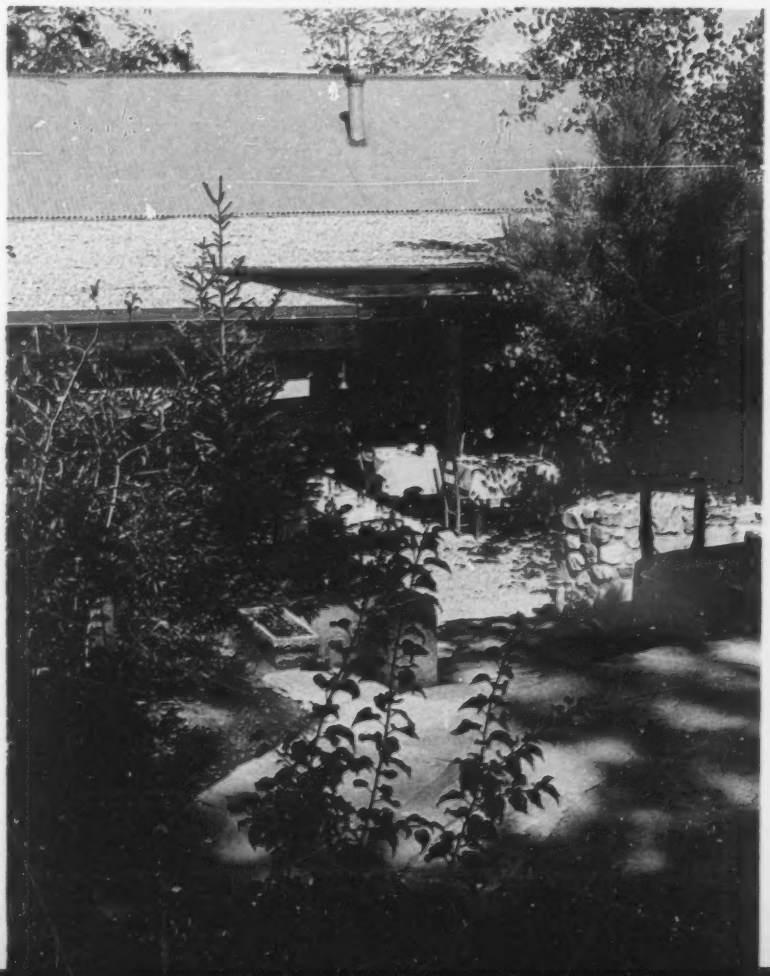
Part of New Mexico's draw is the Taos Valley, which novelist D.H. Lawrence once said was the most beautiful skyline he had seen anywhere in the world. Thousands of tourists make annual "pilgrimages" to ski the snow-capped slopes at Taos.

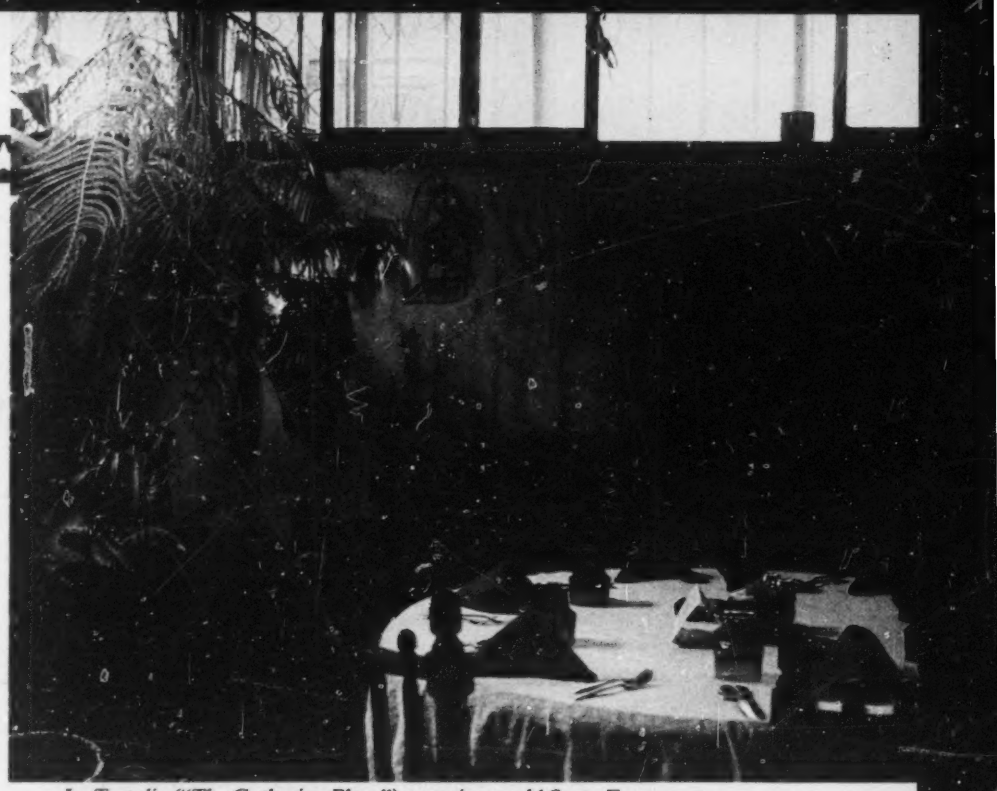
Tourism also remains a growing industry in Oklahoma. The National Cowboy Hall of Fame in Oklahoma City has attracted more than a million visitors for the past two years. In addition, Oklahoma state parks report revenue increases of 25 percent for 1982.

In Arizona, the Department of Tourism says that during 1970 tourism expenditures in the state totaled only $800 million, but for the year ending December 1982 that figure skyrocketed to $4 billion—far too great an increase to be credited solely to inflation.

Who are the visitors and new residents of the Southwest, and how do they meld with locals to change foodservice preferences in the region?

The popular Rancho de Chimayo is located 30 miles from Santa Fe, N.M.





La Tertulia ("The Gathering Place") occupies an old Santa Fe convent.

The states' tourism departments say that visitors to the Southwest fall into two distinct categories—the affluent, white collar, upscale consumers who support resorts and fine-dining establishments, and the lower- to middle-income visitors who generally travel on a budget, frequently visiting relatives and tending to support family style, buffet/cafeteria and fast food restaurants.

The local population tends to be young, well-educated, affluent and mobile. Two-income households thrive in the metropolitan areas of Phoenix, Dallas, Oklahoma City and Albuquerque. In fact, the Southwest has shown the greatest gain in number of working women of any region in the country. Between 1970 and 1980 the number of working women increased by 72.4 percent, and is projected to continue increasing by 44 percent between 1980 and 1990.

Overall nonagricultural employment increased at a greater rate than in any other region in the country, also. According to Data Resources Inc., employment increased by 63.4 percent, compared to a national average of 28.6 percent. Between 1980 and 1990 employment is projected to increase by 30.8 percent, far surpassing a national average of 16.1 percent.

Because the growth of the foodservice industry is tied so directly to population centers, the thriving metropolitan areas of Phoenix, Dallas, Oklahoma City and Albuquerque should continue to provide fertile markets for innovative restaurateurs.

Competition is still stiff in these areas, however. Chains drawn by visions of fast growth have nearly saturated some cities. According to the Restaurant Consulting Group, there are 36,038 restaurants in the Southwest states, or one for every 615 people. That compares to one for every 937 people in the Southeast, and a national average of one for every 809 people.

The Southwest is in the vanguard for Mexican food, but is slow to respond to other national food trends, according to Phoenix-based foodservice consultant Brian Harron. Harron notes that as Mexican food reaches out to take the rest of the nation by storm, the Southwest is experiencing growth in new areas because of the influence of new residents from the East.

For example, Harron says that as a result of the consumers' heightened interest in seafood the Red Lobster chain has announced significant expansion plans for the Arizona market. Arthur Treacher's and Long John Silver's also are entering the market.

Consumer studies show that Chinese restaurants also are becoming more popular throughout the Southwest. A February 1983 *Wall Street Journal* article notes an increasing Chinese influence in the Houston market. "Chinese-Americans don cowboy hats and boots and generally get caught up in the grandiose thinking people associate with Texas. For example, they're selling barbecue, buying real estate and building big, ostentatious Chinatowns," the article says.

Ground has been broken for a "Chinatown" called Tang City in a 240-acre field 10 miles southwest of Houston.

The flags of Texas and the Tang dynasty will wave atop the town, which eventually will include a shopping mall, motel, condominiums and a cultural center.

The Asian population of Houston has ballooned to over 100,000 today from only 2,500 in 1965. And word is said to be spreading, especially in Taiwan and Hong Kong, that if you're moving to the U.S., Houston is the place to settle. In fact, a new skyscraper in Hong Kong was just named "Houston Center."

"If I were a new immigrant, I would go to Houston to avoid problems like high unemployment, unionization and prohibitive rental and real-estate costs," says Joseph Mei, the president of a Chinese business association in New York.

"Indeed, Uncle Tai, one of New York's most celebrated Chinese chefs, left Manhattan in 1979 after employees at his restaurant joined a union. With his whereabouts unknown and with his old patrons complaining about his disappearance, the *New York Times* sent a reporter out to investigate. Lo and behold, he found that Uncle Tai is alive and cooking in Houston, which is not exactly a staunch union town," Mei notes.

Other eminent Chinese cooks have gone to Houston and today some of the best Chinese cuisine in

the country can be found in what only a few years ago was "strictly a steak-potatoes-and-taco town," says Ann Valentine, the food editor of the *Houston Post*.

Chinese restaurants actually outnumber the traditional steakhouses and Mexican restaurants, according to the Houston Restaurant Association.

For example, Chinese restaurateur Jay Jew, operator of Jay's Barbecue, has been successful in creating a menu that takes into consideration local Texans' preferences for barbecue and Tex-Mex style food. Jew decorated his restaurant with portraits of lonesome cowboys. In a recent article in the Wall St. Journal, Jew stated that he gave the restaurant its name because, "It makes men happy—they can eat barbecue and their wives can eat Chinese."

Throughout the Southwest, current surveys also indicate that as a result of the nation's belt-tightening, a marked increase has occurred in the popularity of buffet/cafeterias, family restaurants, and coffee shops.

Ray Dini, manager of one of Far West Service's Coco's units, supports this assertion. Since January 1983 he says sales have climbed sharply at his 200-seat unit in Phoenix. Dini reports a 16 percent increase for the first 12 weeks of 1983 over the same period a year ago. He attributes this primarily to the customer's perception of good value received for the dollar spent.

"We are seeing more and more budget-conscious middle income families and retirees who are holding the line on expenses by frequenting family-style coffee shops like ours," Dini says. "At Coco's we create the perception of a good value through innovative marketing programs and the personalized service that all employees are continually trained to provide."

Good will and repeat business are created at Dini's coffee shop by giving balloons away to attract families with children, giving free lunches to winners whose cards are drawn from a fish bowl, and offering senior citizen discounts from 3 to 5 p.m.

The Southwesterner's casual lifestyle may not call for traditional crystal, silver and china, but the region's restaurateurs agree that their customers adamantly demand first class service. If they find the service they expect, they can be very loyal.

"Believe me, when we're located this far out of town it is critical that we succeed in making our customers feel like personal guests who have come to our home for dinner," says Florence Jaramillo, who with her husband owns the Rancho de Chimayo, a 120-seat Mexican restaurant 30 miles northeast of Santa Fe. In December of 1982 the Jaramillos celebrated their first million dollar year.

According to Mrs. Jaramillo, her customers span all age and income brackets. They tell her that in addition to the Rancho's food, they like the rambling pueblo-style building that once was home to three generations of Jaramillos before the restaurant opened in 1965. During the winter, 120 guests are seated inside. From April to September, the Jaramillos take advantage of the climate and seat 200 more guests outdoors.

"We are the largest employer in the area with 130 local residents on our payroll," says Mrs. Jaramillo. "We credit our success to the solid teamwork of our staff. We really work together and listen to each other."

The menu originally was written in Spanish and required a personalized but time-consuming explanation by the serving staff. In order to help the staff provide better service the menu now features Spanish titles with English explanations.

"Our customers' reaction to everything is very important because we rely heavily on word of mouth advertising," Mrs. Jaramillo says.

"We also work hard to create repeat business by providing unique native dishes and training our staff to visit with customers, make them feel at home and help keep out-of-town guests abreast of local activities."

Combining personalized service with an average lunch price of $3.50 and dinner price of $7, then adding a unique menu featuring such specialties as Carne Adovara—a native New Mexican dish of pork steak marinated in hot, homemade chili sauce—has provided an apparently recession-proof formula for the Jaramillos.

The Southwest is the home of "Tex-Mex," and everybody from the wealthiest oil and cattle baron to the

In one decade, Houston's Ninfa Laurenzo has built a 10-table eatery into a $30 million business.

PHOTO BY DAN WYNN

Southwesterners are opening up to new foodservice concepts—good news for innovative restaurateurs willing to risk the competition.

lower income resident has his own favorite Mexican restaurant. Among the most famous is Ninfa's, a chain of 14 restaurants—primarily in Texas—founded in Houston by Ninfa Laurenzo. Ten years ago Mrs. Laurenzo was a widow with five children. She mortgaged her home and her husband's entire estate to open a 10-table Mexican restaurant, then hauled pots, pans, silverware and glassware from home to equip the kitchen.

The rest is history. Mrs. Laurenzo now oversees a corporation that registered $30 million in total sales, with the development of 135 units planned nationwide by the end of the decade.

Good service, moderate prices and a unique menu also have meant success for Oklahoma-based Applewoods Corp. "We run the highest volume family-style operation in the state and, I believe, we rank 37th in volume in the nation," says Gerald Duke, executive chef.

Until September of 1982 Applewoods Corp., headed by Dick Stubbs, consisted of one 185-seat restaurant in Oklahoma City. That one unit posted a 1982 income of $4.2 million, according to Duke.

"On Friday and Saturday nights we frequently serve between 900 and 1,000 people, many of whom are

Total Population (000)

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	1,765	2,708	3,387	53.4	25.1
New Mexico	1,016	1,299	1,495	27.9	15.1
Oklahoma	2,553	3,021	3,626	18.3	20.0
Texas	11,160	14,213	17,503	27.4	23.1
Regional total	16,494	21,241	26,011	28.8	21.4
U.S. total	202,805	226,517	248,276	11.7	9.6

Source: Data Resources Inc.

Total Nonagricultural Employment

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	547,393	1,014,047	1,346,483	85.3	32.8
New Mexico	292,653	465,424	569,929	59.0	22.5
Oklahoma	762,527	1,138,141	1,445,275	49.3	27.0
Texas	3,581,334	5,851,173	7,712,553	63.4	31.8
Regional total	5,183,907	8,468,785	11,074,240	63.4	30.8
U.S. total	70,683,172	90,907,374	105,537,485	28.6	16.1

Source: Data Resources Inc.

Total Women in the Workforce (000)

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	228.2	465.7	756.2	104.0	62.4
New Mexico	115.3	208.6	309.8	80.9	48.5
Oklahoma	347.7	536.3	710.5	54.2	32.5
Texas	1,530.4	2,619.1	3,737.4	71.1	42.7
Regional total	2,221.7	3,829.6	5,514.0	72.4	44.0
U.S. total	28,929.8	41,672.2	53,083.1	44.0	27.4

Notes: Rounded figures for states may not add to regional total.
Percentages based on unrounded data.
Source: Restaurant Business estimates for 1990. Census Bureau for 1970 and 1980 data.

middle-income families. Our customers range in age from infants to senior citizens who are looking for traditional home-cooked meals at a fair price," says Duke.

Because of the first unit's popularity, Stubbs decided to open a second Applewoods. So far, the second unit is equally successful.

Both Applewoods have four dining rooms, each decorated differently but each providing a warm, comfortable atmosphere with lots of natural wood and plants. House specialties are individual pot roast and marinated pork chops which, according to Duke, set the restaurant apart from its competition.

"Some operators do entertainment, some run promotions and some concentrate on atmosphere, but we stick to what we do best—we just do food!" says Duke.

Applewoods' advertising reflects this philosophy. All television ads zero in on food to appeal to the viewing consumer, Duke says.

Recently, company president Stubbs introduced a whole new dining experience to Oklahoma Citians, who traditionally are steak-and-potatoes people. Called the Velvet Dove, his new restaurant is a white tablecloth establishment that features 10 six-course dinners at a fixed price of $29.50. The Velvet Dove's house specialty is flaming roasted duckling with bing cherry sauce.

Duke, who graduated from the Culinary Institute of America and then worked for five years in Europe, says that "Coming to Oklahoma and introducing new food concepts has been an exciting challenge. Many of these people are cattlemen, ranchers, farmers and oil people with hearty appetites and basic meat-and-potatoes appetites."

However, as Duke notes, "Everyone, from New York City executives to Idaho potato farmers, likes to be well taken care of and served a good meal. We feel the state is ready for new dining concepts, and Oklahoma City residents' initial response bears this out."

Historically, Oklahomans have not been trendsetters, but they've never lost their preference for "fresh" and "home-cooked" food. "We make everything here at the Dove, including a fabulous selection of desserts," says Duke. "Nothing pre-made is purchased."

Although the economy is suffering in Oklahoma and unemployment has increased since the end of 1982, the state is still in good shape compared to the rest of the nation, Duke notes. Both of the Applewoods and the Velvet Dove showed solid profits through the first quarter of 1982.

"The key is that we stick to the basics of foodservice—strong management, and excellent food and service at a fair price," he says.

Another fast-growing Oklahoma City-based corporation is Sonic Industries Inc., which has remained strictly a drive-in restaurant.

Sonic owns and franchises approximately 1,000 units in 20 states across the southern half of the United States. In 1982 Sonic reported a net income of $579,700, which represents an $875,400 turnaround from the net loss reported in 1980.

"Business has been consistently better in mild climate areas such as the Southwest," says Scott Cohen-

Built into a mountainside, the Pointe of View restaurant overlooks the desert city of Phoenix, Ariz.

our, director of marketing for Sonic. "It's tough to sell hamburgers drive-in style to a customer who is facing a foot of snow on the hood of his car."

Cohenour attributes a great deal of Sonic's success to the amount of freedom provided to franchisees and operators and to the hometown image that every unit works to preserve.

"Can you imagine that in one town of approximately 4,000 residents, 600 recently were laid off and that month our Sonic franchisee reported that revenues increased nearly 10 percent?" Cohenour says.

"Sonic units are like an extension of the living room where locals gather to sit on the hoods of their cars and discuss everything from high school sports and who's in the hospital to local politics and employment levels. Our operators work to create this kind of atmosphere by getting involved in the community and supporting everything from Little League to Muscular Dystrophy Fund drives," he adds.

Even advertising is tailored to the community. Sonic has no chain-wide or national advertising. Everything is geared to the hometown philosophy, particularly popular in towns across the proud state of Texas where almost one third (332) of Sonic units are located.

Austin is the home of the largest volume Sonic unit in the nation. "At least 50 percent of the orders at our units are 'to-go' during the lunch hour, when about half of our business is done," says franchisee Jerry Conway. Conway's lunch customers include blue and white collar workers and range in age from 19 to 55.

When asked how the tight economy is affecting his business, Conway drawls, "We have decided not to participate in the recession."

Sharing the same sentiment is fellow Texan John Thacker, food and beverage director for the multi-million-dollar-a-year Loews Anatole Hotel in Dallas.

"Restaurants in Dallas just aren't feeling the recession," Thacker says.

He says that each of the five restaurants that he oversees met or surpassed 1982 projections, which in turn exceeded 1981 figures. The restaurants cater to the affluent, upscale, white collar customer who has disposable income to spend on fine dining.

Of the five restaurants, which range from an upscale French restaurant to a self-serve soup and sandwich bar, the Chinese restaurant has been the most popular among local residents. Thacker estimates that approximately 45 percent of his foodservice customers are Dallas/Ft. Worth residents.

"The Plum Blossom restaurant was really the first upscale Chinese restaurant in the community. The menu features real Hong Kong-style dishes made with fresh ingredients and served in a quiet, almost mysteri-

Southwesterners will continue supporting their favorite Mexican, barbecue and steak houses, but they are opening up to new and different food concepts. That spells good news for innovative service willing to risk the competition.

Tableside flambe prepared by Alain J. Wichner, g.m., Pointe of View.

Real Disposable Personal Income
(per capita, 1972$)

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	3,475	4,178	5,100	20.2	22.1
New Mexico	2,867	3,724	4,454	29.9	19.6
Oklahoma	3,108	4,288	5,357	38.0	24.9
Texas	3,299	4,505	5,604	36.6	24.4
Regional total	3,262	4,384	5,438	34.4	24.0
U.S. total	$3,670	$4,495	$5,425	22.5	20.7

Note: Disposable personal income is equivalent to after-tax income and indicates what consumers actually have available for spending. Source: Data Resources Inc.

Total Households
(000)

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	541.3	967.6	1,276.5	78.8	31.9
New Mexico	290.4	445.2	563.6	53.3	26.6
Oklahoma	854.6	1,130.7	1,364.4	32.3	20.7
Texas	3,450.5	4,992.6	6,701.4	44.7	34.2
Regional total	5,136.8	7,536.1	9,905.9	46.7	31.4
U.S. total	63,792.2	81,145.7	96,312.8	27.2	18.7

Source: Chase Econometrics/Regional Data Associates.

Population Per Restaurant

SOUTHWEST	Number of units*	Population per unit**
Arizona	3,783	768
New Mexico	1,858	732
Oklahoma	4,406	707
Texas	25,991	569
Regional total	36,038	615
U.S. total (48 states, & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group.
**Spring 1982 **Population Dec. 31, 1981*

ous atmosphere. You won't find any of the bright, lacquer-style decor at the Plum Blossom," Thacker says.

The popularity of the Plum Blossom supports a Technomic report that states that "The appeal of Oriental dishes lies not only in their relative economy but in customers' perceptions of healthfulness because the dishes feature little red meat and many vegetables that are cooked only briefly. Long the stronghold of the independent, Oriental food is showing strong signs of becoming a major growth category."

Not only are Southwesterners discovering Chinese food, they are trying such exotic foods as Ethiopian and Vietnamese, according to Candy Sagon, food editor of the *Dallas Times/Herald*.

"We now have three Ethiopian restaurants in Dallas. They seem to attract the younger, artsy crowd who are interested in trying new places," she says.

Places like the Queen of Sheba in Dallas feature food that is eaten with the hands using platter-sized, crepe-like bread to scoop up the spicy, thick, stew-like food.

Southwesterners will continue to support their favorite Mexican, barbecue and steak houses, but they are opening up to new and different food concepts. That spells good news for innovative foodservice operators willing to risk the competition.

With its energy reserves, mild climate, growing population centers, outdoor recreational opportunities, weak unions and a relatively strong and diversified economic base, the Southwest most likely will continue to attract new residents who will provide a fertile market for expanding restaurateurs.

—Kathleen Trowbridge

THE WEST

COLORADO • IDAHO • MONTANA • NEVADA • WASHINGTON • UTAH
HAWAII • WYOMING • CALIFORNIA • OREGON • ALASKA

The recession has reached the West, but an affluent, well-educated customer still dines out and is becoming increasingly discriminating.

"The recession taught us a lot of lessons," says Rusty Pelican president Randy Howatt. "For one thing, no place is recession-proof."

The Western region appeared to be recession-proof for a while, attracting thousands during the 1970s to work in its energy-related and high-tech industries. In 1981 and 1982, it was still attracting the unemployed from the eastern half of the U.S. but job opportunities had virtually dried up so new faces only increased the unemployment rate.

In Wyoming, for instance, 1982 unemployment stood at 9.9 percent—the highest in 20 years—largely the result of shutdowns in mining and energy-related areas. Idaho, Montana and Colorado have faced similar unemployment problems due to cutbacks in mining and petroleum exploration.

As tight money markets nationwide began to take their toll on the housing industry, lumber and wood products operations in the Pacific Northwest began to feel the pinch, affecting 25 percent of the workforce in Washington, Oregon and Northern California.

"Last to be hit . . . last to recover," is the way many economists in the West describe the region's position. Research seems to indicate that, while it won't roar in like a lion, recovery is underway, however, and the long-term outlook is very favorable.

The West has several things going for it in addition to its ties to the high-tech industries of the future. Data from the 1980 census show that the West has advantages in terms of level of education of the population, in proportion of young people, in numbers of people with high incomes, and in extent of wealth in the earth.

A study conducted by Alexander Grant & Company found that the five states showing the highest percentage of population 25 years old and over who have completed four years of high school fall in the region—Colorado, Nevada, Washington, Wyoming and Utah.

Figures from Chase Econometrics of Bala Cynwyd, Pennsylvania, on metropolitan areas with the greatest concentration of affluent families support the census data. Of the 10 metropolitan areas reporting highest percentages of families earning $75,000 and over, four are in the West—all in California. Six out of 10 of the areas with the highest percentage of families earning $50,000 and over lie in the West: Anaheim/Santa Ana/Garden Grove, California; San Francisco/Oakland; Los Angeles/Long Beach; San Jose; Seattle/Everett; and Denver.

The National Restaurant Association, in its third annual forecast of state-by-state eating place sales, projects a 9.1 percent advance for the Pacific Coast states in 1983, and a 10.2 percent advance for the Mountain Region, both above the 8.5 percent national average.

The NRA expects Alaska to lead in Pacific region eating place sales growth at 11 percent, the result of increases in non-manufacturing employment and a hefty 11.5 percent advance in total personal income.

In the mountain states, the NRA sees Wyoming as the leader in 1983 with an 11.1 percent rise due to large increases in manufacturing employment and personal income. High tech industries could help Colorado recoup from declines in the tourism and oil industries to reach a 10.4 percent increase in eating place sales.

Some state restaurant association heads and restaurant operators are a bit more cautious in their projections, but all are reporting upturns in business becoming particularly noticeable in February.

"Since the first of the year, our members have seen a rather hefty upturn in sales," reports Don Quinn, executive director of the Colorado-Wyoming Restaurant Association. Quinn sees sales tax revenues increasing by 10 to 12 percent, well in keeping with NRA projections for Colorado. The state has particularly benefited from good snow and a healthy ski industry bringing winter tourists into the mountains.

Ted Balestreri of the Sardine Factory in Monterey, Cal., notes "a substantial upturn in business in February," an observation shared by Robert Fabri at the Holiday Center Strip in Las Vegas and Jack Sheri-

PHOTO: IMAGE BANK

Utah is experiencing an influx of people with above average incomes. As a result, there is a wide-open market for specialty and gourmet restaurants to meet the needs of this group.

dan at the Vineyard, as well as Randy Howatt of The Rusty Pelican.

Roger Anderson of Robby's Restaurant in Great Falls, Mont., president of the Montana Restaurant Association and an NRA director, is a bit skeptical of rapid real sales growth despite improved conditions. He points out that Montana failed to meet NRA sales projections for 1982, and he is doubtful the state will see more than a couple of percentage points increase in 1983 due to continued problems and layoffs in the wood products and mining industries.

"Wood products may come back," Anderson speculates, "but mining will be slow. Montana has a 30 percent coal severance tax, the highest in the nation, so while we are rich in resources the taxes hurt business profits."

Anderson mentions defense spending at Nelstrom Air Force Base in Great Falls as a boon to the state's economy. "Reagonomics helps that," he notes.

John Logan of the Wyoming Economic Planning and Development department is also skeptical about rapid turnaround in his state. "We're an energy-related state so everything has dropped off," he explains. "Only natural gas is holding its own and coal is stable now because of long-term contracts. I don't see any quick recovery. At best, we may see two to three percent growth in Wyoming's economy in 1983."

Harold Miller of the City of Cheyenne's Industrial Development branch believes there will be an impact if anything is done with the MX Peacekeeper missile installation in the state. "Things otherwise are slow," he says, "but we see a bit of turnaround. People are taking the planning steps toward potential manufacturing plans and we're getting more inquiries."

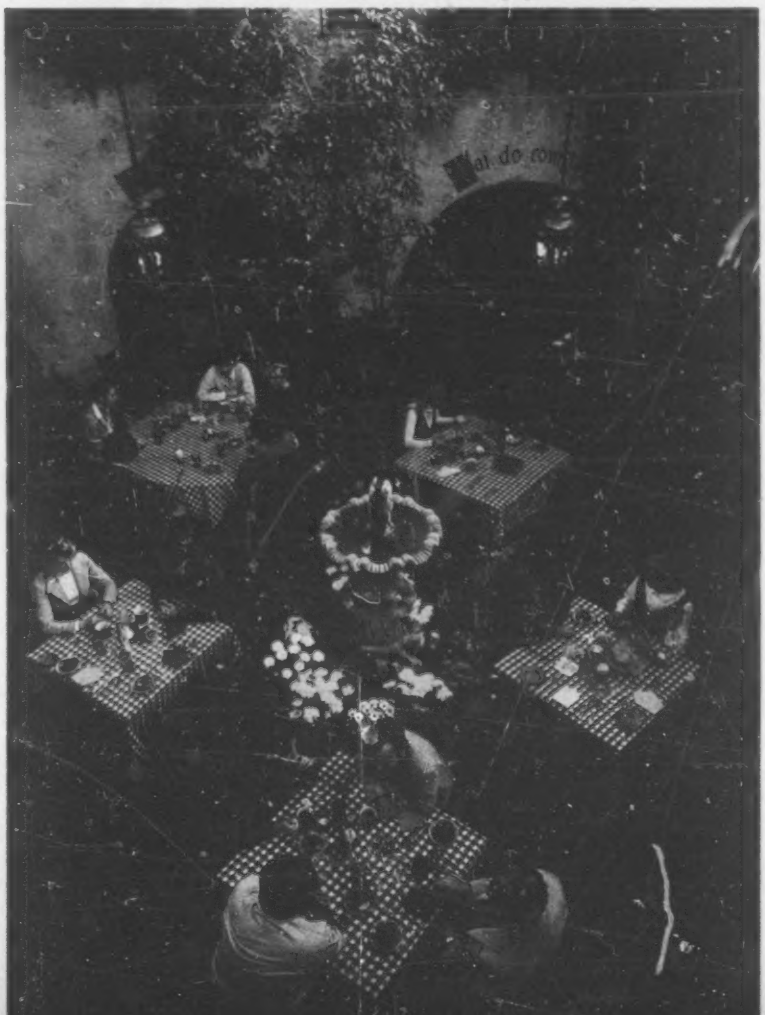
"We are very optimistic about the year ahead," says Ron Morgan of the Utah Restaurant Association. "All indicators show we are off to a good start."

According to Morgan, Utah is experiencing a large influx of people with above average incomes employed by such firms as American Express and Western Airlines. As a result, there is a wide open market for more specialty and gourmet restaurants to meet the needs of this sophisticated market. Chains in the state have been upgrading their operations to broaden their base with this market. The net result is a need for more skilled foodservice personnel in the state, something various educational institutions are attempting to respond to.

JB's Big Boy is one Utah chain which has positioned itself to respond to this trend and is reaping the benefits.

"We started shaving off some units in our outlying areas and trying to give the customer a new look with remodeled units, salad bars and charbroilers," explains David Asay of JB's. "We upgraded to appeal to a broader clientele and as a result we were able to increase our share of the market and better endure the economic downswing. We are currently running volume increases of around 12 percent. Our philosophy now is always to keep some new twist in the pipeline to keep us looking progressive to our customers. Now we are

Far West Services' Gorda Liz serves the Mexican food popular among Westerners.



working on breakfast buffets.

"Our research shows conclusively that people are looking for more sophisticated types of food and service," Asay continues. "They are more diet conscious with lighter eating habits. We see a good market in the more upscale specialty segment that offers quality food prepared instore. As a result, we've just opened our first Apple Butter Farms restaurant in Salt Lake City. Among other specialties, we're offering super-special dessert items and other things done in our in-store bakery. It's been an outstanding success and our second restaurant is in construction."

Family restaurants and coffee shops as well as upscale dinner houses are all reporting a trend toward a more sophisticated clientele demanding more in terms of food, and particularly in terms of service. Operators report customers are better educated and more price and value conscious.

Operators universally indicate trends toward more limited specialty menus, fewer theme restaurants, more seafood and healthy foods, more sophistication in ordering wine and imported beers, an increased dessert business, and more homemade items.

Restaurateurs in the western states report they are looking to make maximum use of their facilities in response to rising real estate costs, through catering or retailing house specialties.

One representative company doing both is Rian's Incorporated, Portland, Ore.

Owner John L. Rian, president, presently has three Breadbasket restaurants and three other concepts (a seafood operation, a fullservice restaurant, and a sandwich shop), all located in the Portland area except for one Breadbasket, which is in Salem. A fourth Breadbasket is scheduled to open this summer. Like the others, it will feature "gourmet sandwiches," casseroles, soups and salads, for an average lunchtime check of $3.10.

"Our new Breadbasket will incorporate a retail beverage center, designed to sell our retail products for home consumption, such as coffees, teas, and wines. Our targeted market is residents of surrounding apartment buildings and corporate businesses," Rian says.

Ted Balestreri of Monterey's Sardine Factory notes a recent business upturn.

"In addition, we can use the retail beverage center as a bar for private functions, and will have a private room for luncheon meetings and small private parties in the evening.

"We will also operate an employee dining room for 1,300 people who work in the building," Rian says. "The net result should be sales of $1 million per year where normally we'd expect $600,000.

"This demonstrates my belief that the trend for the future is to maximize the opportunity for more dollars from our existing customers through offering them a greater variety of services, and creating multiple use of our facilities by designing flexible use for our space. We need to increase our dollar volume per square foot."

There is an increased emphasis on good controls in the Western region—a realization that you can't fly by the seat of your pants anymore—

Total Population (000)

WEST	1970	1980	1990	% change '70-'80	% change '80-'90
Alaska	301	403	452	33.9	12.2
California	19,906	23,642	28,241	18.8	19.5
Colorado	2,199	2,890	3,374	31.4	16.7
Hawaii	765	964	1,182	26.0	22.6
Idaho	712	944	1,032	32.6	9.3
Montana	694	788	881	13.5	11.8
Nevada	487	797	1,111	63.7	39.4
Oregon	2,085	2,623	2,863	25.8	9.1
Utah	1,056	1,458	1,747	38.1	19.8
Washington	3,395	4,114	4,567	21.2	11.0
Wyoming	331	469	579	41.7	23.5
Regional total	32,696	40,056	47,211	22.5	17.9
U.S. total	202,805	226,517	248,276	11.7	9.6

Source: Data Resources Inc.

Restaurateurs in Western states report they are looking to make maximum use of their facilities in response to the rising cost of real estate.

and an increased appreciation of the need for good managers and good staff training programs.

With increased market segmentation there is a feeling that, while there may be advantages from the economy of scale in buying and advertising to a chain concept, even chains must be more responsive to their individual store markets.

"We are much more in tune to changes in people's food patterns these days," says Ted Balestreri, who operates the Sardine Factory in San Francisco. "Now people are more health and diet conscious, but at the same time our dessert business is on the increase. Seafood is more popular than ever, even unusual types like calamari. Red meats are status quo but veal is moving up."

"In the '60s and '70s, cleanliness of the restaurant was a big consumer concern," Balestreri continues. "Now industry standards have become so high this is not a consumer fear. Instead, people have never been so price conscious across the board. They are really seeking value received. I see a need for a new pricing philosophy and the development of new profit centers. For example, restaurants are starting to package some of their specialty items. Customers gain status by serving them in the home."

Balestreri also points out that while the leading fast food chains are expanding and intensifying their menus, the customer still appreciates the simplicity of a limited menu. Accordingly, he sees more room in the market for limited menu operations.

Richard Burns, one of the founders of the Cask & Cleaver chain, now owns California-based Vintage 81 restaurants, a four-unit chain where each unit is a slightly different concept.

While it is more costly to do different concepts, Burns believes "it's not like the old Cask & Cleaver days; now it's a necessity to adapt to particular markets, and promoting is very important."

Burns sees people more into American food—hamburgers and desserts—although they remain health conscious and fish is a major part of their menu.

Rusty Pelican customers are moving toward seafood in a big way, says Randy Howatt, and their restaurant menus are now over 80 percent seafood.

"There is a move toward healthier foods, but not total 'health' foods; people are still indulging," Howatt reports. "We're seeing more wine and beer and less hard liquor, and people are more quality conscious in these areas, ordering by brand and label."

One Western way the trend toward lighter, natural, healthier foods is very apparent is the heavy use of fresh fruits and vegetables as garnishes on entree plates. Chains and independents alike are presenting their quiches, omelettes, seafoods and sandwiches with lettuce and seasonal fruits ranging from watermelon and cantaloupe to oranges and bananas, grapes and strawberries, and those presentation items are being gobbled up along with the meal itself.

"People are more in need of reservations," Howatt continues. "They will accept a 10 to 15 minute wait to be seated, but they rebel when the wait is over an hour. In response to this, we're expanding our own reservations capability."

Howatt also sees customers desiring more personalized service. Rusty Pelican has developed a separate VIP phone service through cards given to their best customers. He eventually envisions a computerization of each customer's individual preferences, seeing the American Express Gold Card and travel club cards as a move in this direction.

"Customers are better educated, which is great because it makes it harder for amateurs to succeed, and makes it better for the good houses," states John Mazella of Mazella's Seafood Loft in Hayward, Cal.

Controls are essential in the opinion of Paul LoNigra, owner of What's Up and Ristorante Paolino in Boulder, Colo. "Limited menu restaurants will do well," he says, "and the menu helps with controls."

He sees a trend toward more homemade and specialty items, and stresses the importance of location and putting together the right real estate deal to keep costs in line.

Outdoor dining is a trend in the

Total Nonagricultural Employment

				% change	
WEST	**1970**	**1980**	**1990**	**'70-'80**	**'80-'90**
Alaska	92,950	169,449	200,857	82.3	18.5
California	6,945,849	9,853,088	12,518,330	41.9	27.0
Colorado	750,007	1,251,293	1,639,735	66.8	31.0
Hawaii	293,361	404,754	528,144	38.0	30.5
Idaho	207,483	330,149	398,497	59.1	20.7
Montana	198,596	280,525	369,801	41.3	31.8
Nevada	203,164	400,036	594,388	96.9	48.6
Oregon	710,170	1,045,004	1,147,828	47.1	9.8
Utah	356,641	551,029	700,527	54.5	27.1
Washington	1,079,756	1,608,895	1,838,268	49.0	14.3
Wyoming	108,488	206,213	253,747	90.1	23.1
Regional total	10,946,465	16,100,435	20,190,122	47.1	25.4
U.S. total	70,683,172	90,907,374	105,537,485	28.6	16.1

Source: Data Resources Inc.

Colorado market, and while healthy foods are in, so are desserts. At Ristorante Paolino, 65 percent of diners eat dessert.

LoNigra believes it is important to get to know customers personally, and equally important to have a staff who will follow through on your ideas and be creative themselves. "If you can't bring out your staff's creativity you will burn out yourself," he says.

LoNigra sees a trend toward more individual or family-owned as opposed to chain restaurants. He also sees an emphasis on the approximately 100-seat restaurant as the only way to maintain a high level of quality in an operation and support it financially.

"For a chain, the strong personality of an in-store manager is very important," says Ed Novak of Denver's Broker Restaurant chain. "The chain must still respond to local markets and have an individual feel."

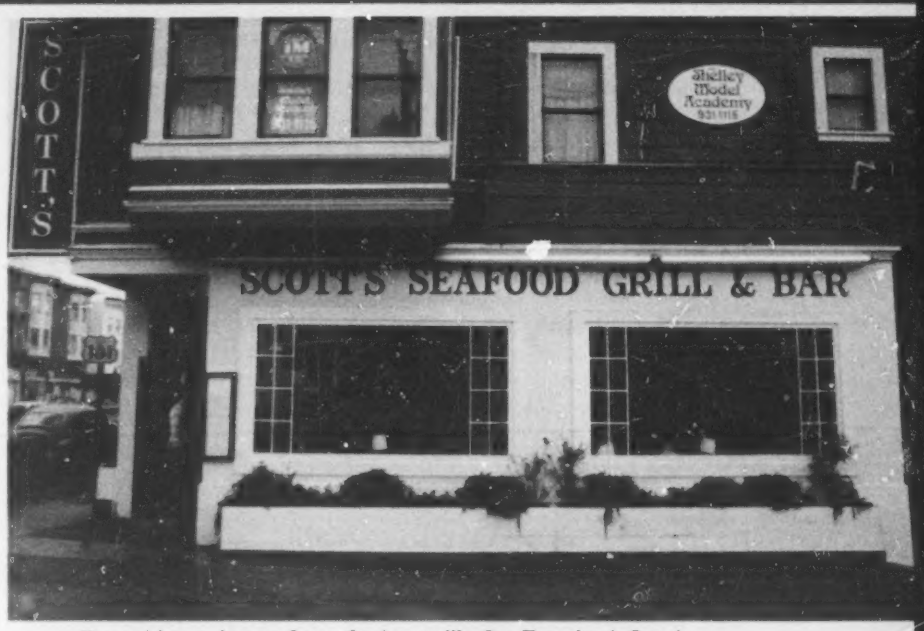
"More people are stressing that they want more service," says Robert Fabbri of the Holiday Center Strip in Las Vegas, and president of the new Nevada Restaurant Association. "Presentation and product are also more important. You can't sell product on price alone because people won't accept poor product quality."

Fabbri believes restaurant owners in the past never believed strongly in employee training, but now they are beginning to see that training boosts customer returns. It also can help cut down on unionization. "Unions do not make unions," says Fabbri, "employers make unions."

Under Fabbri's leadership, the Nevada Restaurant Association is working to provide more educational tools and seminars to its members.

The number of theme places is down in Seattle, says Gretchen Mather of Gretchen's Of Course restaurant chain. While Seattle menus are becoming sophisticated, atmosphere is becoming more informal. Every new place calls itself a "cafe," according to Mather.

There are lots of pasta and fish on restaurant menus, Mather reports,



Coast cities are known for seafood spots like San Francisco's Scott's.

and they are selling a lot of desserts. A new trend is toward places which sell only desserts and espresso coffee.

Other Seattle trends include an increase in small, owner-operated, specialty restaurants in neighborhood locations, often in converted homes.

On the other hand, the office building boom in Seattle is opening up new opportunities for many restaurant operators. They may receive free rent for a number of years in return for contracting with a building developer to operate a restaurant in a new building as a marketing tool to attract new tenants.

Gretchen's Of Course, like the Rian's restaurant chain in Portland, Ore., does a sizeable catering business as well. The same is true for Boulder's Ristorante Paolino, which also provides cafeteria service for the

Total Women in the Workforce
(000)

				% change	
WEST	**1970**	**1980**	**1990**	**'70-'80**	**'80-'90**
Alaska	35.1	71.7	116.6	104.2	62.5
California	2,834.7	4,523.7	6,143.2	59.6	35.8
Colorado	315.4	585.4	885.8	85.6	51.3
Hawaii	116.6	191.1	264.3	63.9	38 3
Idaho	89.8	150.6	211.9	67.8	40.7
Montana	85.3	134.8	181.7	58.0	34.8
Nevada	72.6	172.7	315.5	137.8	82.7
Oregon	288.7	479.8	670.2	66.2	39.7
Utah	137.0	233.8	332.9	70.6	42.4
Washington	449.8	744.2	1,036.7	65.5	39.3
Wyoming	43.2	80.8	122.8	86.9	52.1
Regional total	4,468.2	7,368.6	10,281.6	64.9	39.5
U.S. total	28,929.8	41,672.2	53,083.1	44.0	27.4

Note: Rounded figures for states may not add to regional total.
Percentages based on unrounded data.
Source: Restaurant Business estimates for 1990. Census Bureau for 1970 and 1980 data.

PHOTO BY DAN WYNN

employees of NBI, a major office automation firm.

While fine dining establishments seem to be in demand in major metropolitan areas, and especially in the newly expanding Salt Lake City market, it is important to remember that much of the Western region is thinly populated—only 800,000 people in Montana, for example, and slightly under 500,000 in Wyoming.

As a result, Roger Anderson believes that family restaurants are the mainstay in Montana, with fast food units holding their own. John Logan envisions only more fast food operations moving into Wyoming.

Operators in markets such as Newport Beach, Cal.; Denver; and Seattle report an over-saturation of restaurants making the competition keen. "Seattle is a very fickle restaurant city," says Gretchen Mather, "because people just have too many choices."

Chains are reporting generally strong growth despite the predictions of some independents. Most do mention ways they respond to local and regional preferences, indicating that America is definitely not totally homogeneous.

Stuart Anderson's Black Angus system, for example, has added seafood, poultry and chef's special items over the last few years. Selections for the chef's specials are entirely up to the local chefs, who can then respond to area taste preferences and seasonal items.

Black Angus has been a leader in in-house entertainment concepts, and Roberta Perry, director of entertainment, reports that the chain's lounges are "stronger than ever." The type of music is changing, however, from just country, or just disco, or just rock and roll to a variety of musical types, including a strong interest in "oldies" from the 50s and 60s.

"Everyone is experimenting with video," Perry notes. Black Angus has developed mini-entertainment centers with audio-visual sync-sound packages which integrate visuals in keeping with the music.

Black Angus vice president of operations Haig Cartozian remarks that people today expect the same value in entertainment that they do in food and service.

With the emphasis on a total quality package, several chain executives are speculating that video entertainment concepts combined with restaurant facilities—such as those that are sweeping the pizza market—may not be able to meet consumers' expectations, and that their growth may be based on new unit openings rather than increased sales volumes.

Pizza Time Theatres of Sunnyvale, Calif., reports that sales and earnings were down in the first quarter but blames the situation more on inclement weather in California and the economy in general.

Pizza Time is continuing its expansion, planning 120 new restaurants in 1983 through the U.S. as well as overseas. There are presently 225 units open and operating, 61 of which are in California.

The chain has tried to take regional food preferences into account, offering, for instance, crisper, thinner crust in the California market.

Real Disposable Personal Income
(per capita, 1972$)

				% change	
WEST	1970	1980	1990	'70-'80	'80-'90
Alaska	4,429	6,007	6,595	35.6	9.8
California	4,203	5,168	6,303	23.0	22.0
Colorado	3,642	4,737	6,038	30.1	27.5
Hawaii	4,320	4,772	5,755	10.5	20.6
Idaho	3,096	3,862	4,614	24.7	19.5
Montana	3,192	4,080	5,331	27.8	30.7
Nevada	4,402	5,080	6,152	15.4	21.1
Oregon	3,464	4,408	4,994	27.3	13.3
Utah	3,011	3,636	4,450	20.8	22.4
Washington	3,774	4,910	5,710	30.1	16.3
Wyoming	3,444	5,156	5,881	49.7	14.1
Regional total	3,985	4,945	5,996	24.1	21.3
U.S. total	$3,670	$4,495	$5,425	22.5	20.7

Note: Disposable personal income is equivalent to after-tax income and indicates what consumers actually have available for spending. Source: Data Resources Inc.

Total Households
(000)

				% change	
WEST	1970	1980	1990	'70-'80	'80-'90
Alaska	79.5	132.6	175.0	66.8	32.0
California	6,584.2	8,723.6	10,910.5	32.5	25.1
Colorado	693.4	1,072.6	1,406.9	54.7	31.2
Hawaii	203.6	297.0	376.1	45.9	26.6
Idaho	220.4	327.3	408.6	48.5	24.8
Montana	218.1	286.1	338.4	31.2	18.3
Nevada	161.8	308.9	443.7	90.9	43.6
Oregon	694.2	1,000.0	1,152.4	44.1	15.2
Utah	299.4	454.7	610.3	51.9	34.2
Washington	1,105.9	1,556.3	1,964.9	40.7	26.3
Wyoming	104.9	168.5	265.4	60.6	57.5
Regional total	10,365.4	14,328.3	18,052.1	38.2	25.9
U.S. total	63,792.2	81,145.7	96,312.8	27.2	18.7

Source: Chase Econometrics/Regional Data Associates.

The spires of Disneyland's castle point skyward, an anachronism amidst the flat suburban area of Anaheim.

PHOTO BY JAY ARLEN

Mexican food began in the West and both El Torito in the dinner-house segment and Taco Bell in fast food segments report that they are experiencing excellent progress in sales increases and their outlook is definitely "bullish."

El Torito reports plans to introduce some menu changes later this year in response to consumer trends, which will make for more varied fare throughout the system.

Taco Bell has introduced the larger Taco del Grande, and the Taco Light, which is appealing to the female customer. The chain is also remodeling existing units, adding dining rooms and drive-thrus wherever real estate permits. Drive-thrus have resulted in good sales increases, Taco Bell president Charles Boppell reports.

Taco Bell is developing a new building design for its expansion into Eastern markets where Spanish architecture is at odds with the environment.

According to Boppell, the Mexican market is stronger in states like California and Colorado where the existing Mexican population has already helped establish a taste for the fare. Other markets require more consumer education, and Boppell believes the strong marketing capabilities are an advantage in these newer market areas.

"The chain image is important to effectively advertise and market your concept," agrees Chris LeSourd, executive vice president of Seattle-based Skipper's. "We do customize part of our promotional effort to local areas, however."

LeSourd sees the more price/value conscious consumer as "something that's probably here to stay. The consumer mentality has changed forever with inflation, the recession, the oil situation and the like."

Skipper's approach to consumer desire for value includes keeping price increases to a minimum, and at or under the rate of inflation, while providing a high quality product with little discounting. Service is still fast, but a little more personal, with semi-table service, items cooked to order, and beer and wine in most locations.

In addition to the fish fillet and fries eaten by 65 to 70 percent of its customers, Skippers offers shrimp, scallops, clams, salmon fillets, and chicken. Concerning the chicken, LeSourd notes that it is important to offer an alternative to the non-fish eaters in a group.

Throughout the Western region, tourism is an important factor in the business equation for 1983, and many operators would like to see their states do more to attract tourist dollars.

"Tourism is a big industry in Montana," says Roger Anderson, "but the state budget to attract tourists is only $600,000, compared to over $1 million in Idaho and over $4.5 million in Washington."

"Tourism is our second largest industry, bringing in over $600 million per year," says Wyoming's John Logan. "Tourism was up five percent in 1982, and we expect 1983 to be good for tourism due to the drop in gasoline prices and our strong marketing."

In Colorado, Don Quinn reports that a proposal will be made in the legislature to add one-tenth of one percent to the sales tax at restaurants, hotels, ski lifts and bus tours, with the proceeds to go toward promoting tourism in the state.

While airplane deregulation has resulted in increased air traffic to many major metropolitan areas due to lower rates, Ted Balestreri indicates that areas served by commuter lines have been hurt by the transition, though he believes this will eventually turn around.

Balestreri also believes there will be a greater trend toward two- or three-day mini-week vacations per year, and that this will help ease out the seasonality of the tourist business.

Finally, says Don Quinn, "I don't think you can minimize the effect of the new tip reporting rules on employment. We are getting reports that a lot of people are quitting. Restaurants will have to find someone to do the work, and they may have to change their incentive structure. It may mean that less waiter/waitress intensive operations become more popular and a better investment."

"The new tip reporting requirements seem very badly misunderstood by customers, employees and owners," concurs Biff Naylor of Cindy's Restaurants in California. "Customers sometimes are not tipping because they see the tip as a tax now which they don't want to pay. The employees don't know what to report, and it's a general headache for owners."

Looking way ahead, Paul LoNigra predicts that in three years prime rib and steak will be back, and seem like something brand new after the other trends have been exhausted.

—Carol Lynn Tiegs

Population Per Restaurant

WEST	Number of units*	Population per unit**
California	33,728	723
Colorado	4,726	639
Idaho	1,269	780
Montana	1,204	670
Nevada	1,270	672
Oregon	3,784	720
Utah	1,612	958
Washington	5,145	830
Wyoming	644	775
Regional total	53,382	787
U.S. total (48 states, & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group.
**Spring 1982 **Population Dec. 31, 1981*

Regional consumer trends

Information Resources

The statistical tables for this special report were prepared by Thayer C. Taylor, senior editor/management sciences of Sales & Marketing Management *Magazine and editorial director of that magazine's four Survey issues: Survey of Buying Power, Survey of Buying Power—Part II, Survey of Industrial & Commercial Buying Power, and Survey of Selling Costs.*

Where indicated, data were provided by Data Resources Inc., Lexington, Mass., and Chase Econometrics, Bala Cynwyd, Pa.

The following reports were used as sources for 1970 and 1980 data, and for developing 1990 projections:

1970 Census: General Population Characteristics, U.S. Summary PC(1)-B1, Bureau of the Census, Washington, D.C.

1970 Census: General Social and Economic Characteristics, U.S. Summary PC(1)-C1, Bureau of the Census.

1970 Census: Detailed Housing Characteristics, U.S. Summary HC(1)-B1, Bureau of the Census.

1980 Census: Provisional Estimates of Social, Economic, and Housing Characteristics, States and Selected Standard Metropolitan Statistical Areas, PHC80-S1-1, Bureau of the Census.

Labor Force Projections to 1990: Three Possible Paths, Bureau of Labor Statistics, Washington, D.C.

The Changing Population of States and Regions: Analysis and Projections, 1970-2000, Joint Center for Urban Studies of MIT and Harvard Univ., Cambridge, Mass.

The number of restaurants per region, state and selected Standard Metropolitan Statistical Areas was provided by RE-COUNT, a service of Restaurant Consulting Group, Inc., Kenilworth, Ill. RE-COUNT (Restaurant Count by Market) delineates the presence and count of chain and independent restaurant units for every market in the contiguous 48 states, and for every county within each market. The report provides the number of restaurants in each of 32 categories, classified by the type of food served or operation format. The first RE-COUNT was completed in the spring of 1982; the 1983 RE-COUNT will be available this fall.

Total Population

REGION	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	48,966	49,207	51,269	0.5	4.2
Southeast	48,944	58,118	65,909	18.7	13.4
Midwest	56,470	58,859	59,058	4.2	0.3
Southwest	16,494	21,241	26,011	28.8	21.4
West	32,696	40,056	47,211	22.5	17.9
U.S. total	202,805	226,517	248,276	11.7	9.6

Source: Data Resources Inc.

While other regions steadily draw added population, the Northeast and Midwest are in stagnation.

Total Nonagricultural Employment

REGION	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	18,672,685	20,506,783	22,715,625	9.8	10.8
Southeast	15,910,277	22,164,427	26,239,582	39.3	18.4
Midwest	19,969,338	23,666,944	25,317,916	18.5	7.0
Southwest	5,183,907	8,468,785	11,074,240	63.4	30.8
West	10,946,465	16,100,435	20,190,122	47.1	25.4
U.S.	70,683,172	90,907,374	105,537,485	28.6	16.1

Note: Nonagricultural employment represents employment in nonfarm industries, including mining, construction, manufacturing, transportation, communications, public utilities, wholesale and retail trade, finance, insurance and real estate, services, and government.
Source: Data Resources Inc.

By decade-end, the Southwest is expected to more than double the workforce it had in 1970.

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Total Households

REGION	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	15,589.5	17,611.3	19,483.7	13.0	10.6
Southeast	15,054.9	20,656.4	24,759.5	37.2	20.0
Midwest	17,645.6	21,014.3	24,111.5	19.1	14.7
Southwest	5,136.8	7,536.1	9,905.9	46.7	31.4
West	10,365.4	14,328.3	18,052.1	38.2	25.9
U.S. total	63,792.2	81,145.7	96,312.8	27.2	18.7

Note: Household consists of all the people occupying a single housing unit, such as a house or apartment, whether or not they are related.
Source: Chase Econometrics/Regional Data Associates.

The Southeast should show a 17.2 percent slowdown in household growth in the '80s—highest of all the regions.

Total Women in the Workforce

REGION	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	7,380.9	9,168.2	10,532.7	24.2	14.9
Southeast	6,867.5	10,482.3	13,551.0	52.6	29.3
Midwest	7,991.6	10,823.4	13,203.8	35.4	22.0
Southwest	2,221.6	3,829.7	5,514.0	72.4	44.0
West	4,468.2	7,368.6	10,281.6	64.9	39.5
U.S. total	28,929.8	41,672.2	53,083.1	44.0	27.4

Notes: Rounded figures for regionals do not add to U.S. total. Percentages based on unrounded data. Projection for 1990 derived thusly: Bureau of Labor Statistics estimates that women in the labor force (working or looking for work) will increase 2.9% per annum in the 1979-85 period, and 1.9% per annum in the 1985-90 period. Based upon 1980 Census results, this implies 56,656,000 women will be in the labor force in 1990. Assuming 7% unemployment, this is reduced to 52,690,000 working women, or a 26.4% increase over the 41,672,184 figure for 1980. An index that matched each state's percent change in the 1970-80 period to the U.S. percent change was used to estimate each state's change for the 1980-90 period.
Source: Restaurant Business estimates for 1990. Census Bureau for 1970 and 1980 data.

Though women have not entered the Midwest work-force as quickly as elsewhere, more are employed there than in other regions.

Real Disposable Personal Income (per capita, 1972$)

REGION	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	$4,114	$4,772	$5,695	16.0	19.3
Southeast	$3,131	$3,945	$4,773	26.0	21.0
Midwest	$3,705	$4,547	$5,467	22.7	20.2
Southwest	$3,262	$4,384	$5,438	34.4	24.0
West	$3,985	$4,945	$5,996	24.1	21.3
U. S. total	$3,670	$4,495	$5,425	22.5	20.7

Note: Real disposable income is equivalent to after-tax income adjusted by inflation, based on 1972 dollars. Real income is derived by dividing the current dollar income figure by a price index such as the consumer price index, the personal consumption expenditures deflator, or the gross national product deflator.

During the '80s, only the Northeast is expected to outperform the per capita income growth rate it experienced in the '70s.

Population Per Restaurant

REGION	Number of units*	Population per unit**
Northeast	62,555	786
Southeast	63,769	937
Midwest	69,647	852
Southwest	36,038	615
West	53,382	787
U.S. total (48 states, & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group.
**Spring 1982 **Population Dec. 31, 1981*

While the Southwest has more units per capita than any region, the Southeast has the most opportunity for growth.

continued on page 224

Selected Metro Areas: Population per Restaurant

REGION & SMSA	Number of Units*	Population per Unit**
Northeast		
New York	11,831	760
Portsmouth/Dover/Rochester	373	1,162
Southeast		
Atlanta	2,499	844
Fort Lauderdale/Hollywood	1,483	730
Midwest		
Chicago	8,781	812
St. Cloud	158	1,073
Southwest		
Dallas/Ft. Worth	5,011	615
Phoenix	2,021	801
West		
Denver/Boulder	2,348	721
San Francisco/Oakland	5,389	609
U.S. Total		
(48 states & D.C.)	285,391	809

Source: Restaurant Business and Restaurant Consulting Group
**Spring 1982 **Population Dec. 31, 1981*

Of the ten SMSA's spotlighted here, San Francisco and Dallas/Ft. Worth possess the highest number of restaurants per capita. In contrast, Portsmouth/ Dover/Rochester and St. Cloud have the fewest, perhaps lending these cities the greatest opportunity for growth.

Population by Age Group Youth Market: Under 20 Years Old

				% change	
Region	1970	1980	1990	'70-'80	'80-'90
Northeast	17,669.8	14,911.2	12,684.3	(15.6)	(14.9)
Southeast	18,844.3	18,733.2	19,910.3	(0.6)	6.3
Midwest	21,901.9	19,223.3	18,379.0	(12.2)	(4.4)
Southwest	6,504.0	7,212.3	8,787.5	10.9	21.8
West	12,050.5	12,388.3	14,331.3	2.8	15.7
U. S. total	76,970.4	72,468.4	74,092.5	(5.8)	2.2

Note: Details may not add to totals due to rounding. Percent change calculated from unrounded data. Population projection for 1990 derived by applying to the 1980 population the percent changes for 1980-90 projected by the Joint Center for Urban Studies of MIT and Harvard in their The Changing Population of States and Regions: Analysis and Projections, 1970-2000.

Source: Author's estimates for 1990; Census Bureau for 1970 and 1980 data.

The Northeast and Midwest are projected to lose members of the youth market in the '80s, while other regions are expected to gain under-20-year-olds.

Population by Age Group Youth Market: Under 20 Years Old

				% change	
NORTHEAST	1970	1980	1990	'70-'80	'80-'90
Connecticut	1,117.5	935.8	787.9	(16.3)	(15.8)
Maine	379.3	364.4	389.5	(4.0)	6.9
Massachusetts	2,082.4	1,721.0	1,504.2	(17.4)	(12.6)
New Hampshire	281.5	295.0	341.9	4.8	15.9
New Jersey	2,604.1	2,248.3	1,854.8	(13.7)	(17.5)
New York	6,440.6	5,326.5	4,303.8	(17.3)	(19.2)
Pennsylvania	4,252.9	3,569.9	3,070.2	(16.1)	(14.0)
Rhode Island	335.9	282.5	252.0	(15.9)	(10.8)
Vermont	175.6	167.8	180.1	(4.4)	7.3
Regional total	17,669.9	14,911.2	12,684.3	(15.6)	(14.9)
U.S. total	76,970.4	72,468.4	74,092.5	(5.8)	2.2

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

New Hampshire, Maine and Vermont are the Northeastern states expected to gain members of the youth market in the '80s. New York stands to lose the greatest number of under-20-year-olds.

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Population by Age Group
Youth Market: Under 20 Years Old

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	1,361.9	1,315.4	1,448.3	(3.4)	10.1
Arkansas	723.0	756.2	880.9	4.6	16.5
Delaware	216.7	191.7	168.0	(11.5)	(12.4)
Dist. of Columbia	254.0	170.3	108.8	(32.9)	(36.1)
Florida	2,326.7	2,689.5	2,899.3	15.6	7.8
Georgia	1,815.7	1,861.2	1,924.5	2.5	3.4
Kentucky	1,240.5	1,228.5	1,398.0	(1.0)	13.8
Louisiana	1,532.4	1,504.1	1,723.7	(1.8)	14.6
Maryland	1,514.8	1,327.6	1,170.9	(12.4)	(11.8)
Mississippi	932.8	919.6	1,224.0	(1.4)	33.1
North Carolina	1,972.2	1,900.4	1,892.8	(3.6)	(0.4)
South Carolina	1,068.6	1,075.7	1,134.8	0.7	5.5
Tennessee	1,474.7	1,476.5	1,637.5	0.1	10.9
Virginia	1,764.2	1,686.5	1,651.1	(4.4)	(2.1)
West Virginia	646.1	630.0	647.7	(2.5)	2.8
Regional total	18,844.4	18,733.3	19,910.3	(0.6)	6.3
U.S. total	76,970.4	72,468.4	74,092.5	(5.8)	2.2

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

After a slight decline in its young population between 1970 and 1980, Mississippi should attain the Southeast's highest rate of growth in under-20-year-olds by the end of this decade, far ahead of the regional average.

Population by Age Group
Youth Market: Under 20 Years Old

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	4,181.3	3,676.8	3,320.1	(12.1)	(9.7)
Indiana	2,032.8	1,837.3	1,793.2	(9.6)	(2.4)
Iowa	1,080.2	942.1	969.4	(12.8)	2.9
Kansas	832.2	743.3	819.1	(10.7)	10.2
Michigan	3,580.2	3,115.9	2,916.5	(13.0)	(6.4)
Minnesota	1,522.8	1,336.4	1,360.5	(12.2)	1.8
Missouri	1,720.1	1,553.5	1,567.5	(9.7)	0.9
Nebraska	563.6	509.3	575.0	(9.6)	12.9
North Dakota	250.7	218.7	253.0	(12.7)	15.7
Ohio	4,119.9	3,503.2	3,149.4	(15.0)	(10.1)
South Dakota	267.4	234.4	275.2	(12.3)	17.4
Wisconsin	1,750.7	1,552.5	1,380.2	(11.3)	(11.1)
Regional total	21,901.9	19,223.3	18,379.0	(12.2)	(4.4)
U.S. total	76,970.4	72,468.4	74,092.5	(5.8)	2.2

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Though a few Midwestern states are expected to gain this decade in their youth populations, only Nebraska, North Dakota and South Dakota are expected to pull ahead of 1970 totals.

Population by Age Group
Youth Market: Under 20 Years Old

SOUTHWEST	1970	1980	1990	% change '70-80	% change '80-'90
Arizona	708.9	897.4	1,127.2	26.6	25.6
New Mexico	443.9	470.8	578.2	6.1	22.8
Oklahoma	930.0	972.8	1,153.7	4.6	18.6
Texas	4,421.2	4,871.3	5,928.4	10.2	21.7
Regional total	6,504.0	7,212.4	8,787.5	10.9	21.8
U.S. total	76,970.4	72,468.4	74,092.5	(5.8)	2.2

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Texas should increase by more than a million under-20-year-olds during this decade.

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Population by Age Group
Youth Market: Under 20 Years Old

WEST	1970	1980	1990	% change '70-'80	% change '80-'90
Alaska	129.8	145.4	161.1	12.0	10.8
California	7,341.9	7,284.1	8,019.8	(0.8)	10.1
Colorado	861.7	925.0	1,083.1	7.3	17.1
Hawaii	302.3	312.2	362.4	3.3	16.1
Idaho	290.4	343.6	468.0	18.3	36.2
Montana	278.3	261.9	305.9	(5.9)	16.8
Nevada	184.2	243.6	301.1	32.2	23.6
Oregon	773.1	814.5	1,043.3	5.4	28.1
Utah	469.2	600.8	918.6	28.1	52.9
Washington	1,287.6	1,293.4	1,420.2	0.4	9.8
Wyoming	132.0	163.7	247.6	24.0	51.3
Regional total	12,050.4	12,388.2	14,331.3	2.8	15.7
U.S. total	76,970.4	72,468.4	74,092.5	(5.8)	2.2

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data.

Source: Author's estimates for 1990.

With the exceptions of Alaska and Nevada, every Western state shows a higher projected rate of growth in youth population for this decade than for the previous one.

Population by Age Group
The Young Adult Market: 20-34 Years Old

Region	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	9,542.0	12,037.4	11,643.8	26.1	(2.3)
Southeast	10,121.9	14,734.9	16,616.4	45.6	12.8
Midwest	11,164.6	15,009.3	15,075.3	34.4	0.4
Southwest	3,446.3	5,657.4	7,136.1	64.1	26.1
West	7,003.6	10,965.3	12,506.3	56.6	14.1
U. S. total	41,276.5	58,403.9	62,977.9	41.5	7.8

Note: Details may not add to totals due to rounding. Percent change calculated from unrounded data. Population projections for 1990 derived by applying to the 1980 population the percent changes for 1980-90 projected by the Joint Center for Urban Studies of MIT and Harvard in their The Changing Population of States and Regions: Analysis and Projections, 1970-2000.

Source: Author's estimates for 1990; Census Bureau for 1970 and 1980 data.

The Northeast region and the Midwest both lagged behind the national rate of growth for young adults in the last decade, and both are expected to do the same in the '80s.

Population by Age Group
The Young Adult Market: 20-34 Years Old

NORTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Connecticut	604.6	764.0	786.2	26.4	2.9
Maine	184.7	277.1	315.8	50.0	14.0
Massachusetts	1,131.3	1,489.2	1,517.5	31.6	1.9
New Hampshire	147.8	241.2	316.7	63.2	31.3
New Jersey	1,375.8	1,754.4	1,649.2	27.5	(6.0)
New York	3,646.9	4,295.2	3,994.6	17.8	(7.0)
Pennsylvania	2,167.6	2,844.7	2,659.8	31.2	(6.5)
Rhode Island	194.6	235.9	245.3	21.3	4.0
Vermont	88.7	135.7	158.8	53.1	17.0
Regional total	9,542.0	12,037.4	11,643.8	26.2	(2.3)
U.S. total	41,278.5	58,403.9	62,977.9	41.5	7.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Three Northeastern states project negative growth of the young adult market in the '80s, rendering an overall negative projection for the region as well.

Population by Age Group
The Young Adult Market: 20-34 Years Old

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	682.5	961.3	1,105.5	40.8	15.0
Arkansas	357.8	529.0	662.3	47.8	25.2
Delaware	114.2	153.4	158.9	34.3	3.6
Dist. of Columbia	192.2	193.0	153.2	0.4	(20.6)
Florida	1,258.3	2,224.5	2,587.1	76.8	16.3
Georgia	1,021.7	1,446.6	1,615.8	41.6	11.7
Kentucky	646.3	930.5	1,088.6	44.0	17.0
Louisiana	731.9	1,103.0	1,300.5	50.7	17.9
Maryland	849.9	1,117.6	1,145.5	31.5	2.5
Mississippi	416.0	603.5	759.8	45.1	25.9
North Carolina	1,108.0	1,542.0	1,620.6	39.2	5.1
South Carolina	558.4	829.4	977.0	48.5	17.8
Tennessee	812.4	1,165.9	1,360.6	43.5	16.7
Virginia	1,055.3	1,456.7	1,580.5	38.0	8.5
West Virginia	317.0	478.5	500.5	51.0	4.6
Regional total	10,121.9	14,734.7	16,616.4	45.6	12.8
U.S. total	41,278.5	58,403.9	62,977.9	41.5	7.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Though rate of growth in the Southeast's young adult market is expected to slow in the '80s, only Washington, D.C., projects negative growth for the decade. Many Southeastern states expect higher growth in this market than the national average.

Population by Age Group
The Young Adult Market: 20-34 Years Old

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	2,227.5	2,932.6	2,841.7	31.7	(3.1)
Indiana	1,054.2	1,392.8	1,395.6	32.1	0.2
Iowa	518.5	722.1	747.3	39.3	3.5
Kansas	445.7	606.3	648.2	36.0	6.9
Michigan	1,785.1	2,413.0	2,374.4	35.2	(1.6)
Minnesota	748.3	1,070.2	1,142.9	43.0	6.8
Missouri	905.0	1,197.9	1,255.4	32.4	4.8
Nebraska	281.7	398.6	442.4	41.5	11.0
North Dakota	114.2	173.5	204.6	51.9	17.9
Ohio	2,125.2	2,734.7	2,567.8	28.7	(6.1)
South Dakota	115.7	169.6	198.2	46.6	16.9
Wisconsin	843.5	1,198.0	1,256.7	42.0	4.9
Regional total	11,164.6	15,009.2	15,075.3	34.4	0.4
U.S. total	41,278.5	58,403.9	62,977.9	41.5	7.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Three Midwestern states—Nebraska, North Dakota and South Dakota—have higher projected rates of growth for the young adult market from 1980 to 1990 than the U.S. as a whole. Regional growth, however, is expected to be well below the national average.

Population by Age Group
The Young Adult Market: 20-34 Years Old

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	363.4	708.4	930.8	94.9	31.4
New Mexico	207.4	342.3	434.8	65.0	27.0
Oklahoma	509.9	760.1	904.5	49.1	19.0
Texas	2,365.6	3,846.6	4,865.9	62.6	26.5
Regional total	3,446.3	5,657.4	7,136.1	64.2	26.1
U.S. total	41,278.5	58,403.9	62,977.9	41.5	7.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

After watching its young adult group almost double in the last decade, Arizona's rate of growth will greatly slow in the '80s.

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Population by Age Group
The Young Adult Market: 20-34 Years Old

WEST	1970	1980	1990	% change '70-'80	% change '80-'90
Alaska	84.9	135.9	156.6	60.1	15.2
California	4,418.0	6,600.3	7,214.1	49.4	9.3
Colorado	495.7	869.8	1,033.3	75.5	18.8
Hawaii	188.6	285.1	319.8	51.1	12.2
Idaho	136.3	241.8	324.5	77.4	34.2
Montana	131.4	207.1	253.1	57.6	22.2
Nevada	110.7	222.8	332.4	101.3	49.2
Oregon	417.2	720.2	872.1	72.6	21.1
Utah	227.8	396.7	494.3	74.1	24.6
Washington	728.1	1,146.1	1,308.8	57.4	14.2
Wyoming	64.9	139.5	197.2	114.8	41.4
Regional total	7,003.6	10,965.2	12,506.3	56.6	14.1
U.S. total	41,278.5	58,403.9	62,977.9	41.5	7.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data.

Source: Author's estimates for 1990.

Every Western state is projected to top the regional growth rate of young adults in the '80s, except California and Hawaii. From 1970 to 1980 both were also the only Western states whose markets lagged behind the region's growth.

Population by Age Group
Middle-Aged Market: 35-54 Years Old

Region	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	11,753.9	10,908.3	12,022.4	(7.2)	10.2
Southeast	10,901.1	12,422.2	18,147.7	14.0	46.1
Midwest	12,653.8	12,360.7	14,952.0	(2.3)	21.0
Southwest	3,629.5	4,437.2	6,732.7	22.3	51.7
West	7,369.5	8,343.2	12,013.8	13.2	44.0
U.S. total	46,307.8	48,471.7	63,868.6	4.7	31.8

Note: Detail may not add to totals due to rounding. Population projection for 1990 derived by applying to the 1980 population the percent changes for 1980-90 projected by the Joint Center for Urban Studies of MIT and Harvard Univ. in their The Changing Population of States and Regions: Analysis and Projections, 1970-2000.

Source: Author's estimates for 1990; Census Bureau for 1970 and 1980 data.

After leading all regions in rate of growth for its middle-aged population last decade, the Southwest is projected to continue this trend in the '80s.

Population by Age Group
Middle-Aged Market: 35-54 Years Old

NORTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Connecticut	737.6	713.7	842.2	(3.2)	18.0
Maine	218.7	234.7	285.2	7.3	21.5
Massachusetts	1,296.4	1,203.4	1,470.6	(7.2)	22.2
New Hampshire	162.8	195.6	318.4	20.2	62.8
New Jersey	1,796.5	1,694.0	1,790.6	(5.7)	5.7
New York	4,346.9	3,986.2	4,117.7	(8.3)	3.3
Pennsylvania	2,883.1	2,581.4	2,800.8	(10.5)	8.5
Rhode Island	218.9	195.2	239.6	(10.8)	18.9
Vermont	93.0	104.2	157.3	12.1	51.0
Regional total	11,753.9	10,908.3	12,022.4	(7.2)	10.2
U.S. total	46,307.8	48,471.7	63,868.6	4.7	31.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data.

Source: Author's estimates for 1990.

Though small in total numbers, Vermont and New Hampshire tower over both the U.S. and regional projected rates of growth in middle-aged population for the '80s, just as they did in the '70s.

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Population by Age Group
Middle-Aged Market: 35-54 Years Old

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	755.9	823.1	1,122.7	8.9	36.4
Arkansas	405.7	466.1	689.4	14.9	47.9
Delaware	129.0	131.6	152.1	2.1	15.6
Dist. of Columbia	168.7	137.8	131.0	(18.3)	(4.9)
Florida	1,508.9	2,039.8	2,780.2	35.2	36.3
Georgia	1,002.2	1,173.2	1,572.1	17.1	34.0
Kentucky	699.4	766.5	1,098.4	9.6	43.3
Louisiana	766.7	846.1	1,217.5	10.4	43.9
Maryland	935.8	978.2	1,193.4	4.5	22.0
Mississippi	443.0	494.3	837.3	11.6	69.4
North Carolina	1,151.1	1,290.0	1,677.0	12.1	30.0
South Carolina	563.1	653.6	919.0	16.1	40.6
Tennessee	885.6	999.3	1,413.0	12.8	41.4
Virginia	1,080.4	1,215.6	1,603.4	12.5	31.9
West Virginia	405.7	407.0	538.9	0.3	32.4
Regional total	10,901.1	12,422.2	18,147.7	14.0	46.1
U.S. total	46,307.8	48,471.7	63,868.6	4.7	31.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Most Southeastern states are projected to outperform the national rate of growth in middle-aged population in this decade, when Arkansas and Mississippi should secure the largest percentage increases.

Population by Age Group
Middle-Aged Market: 35-54 Years Old

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	2,565.5	2,454.2	2,817.4	(4.3)	14.8
Indiana	1,161.3	1,164.9	1,378.1	0.3	18.3
Iowa	607.7	573.5	750.1	(5.6)	30.8
Kansas	490.9	482.8	628.6	(1.7)	30.2
Michigan	2,009.3	1,972.7	2,341.6	(1.8)	18.7
Minnesota	792.4	835.1	1,140.7	5.4	36.6
Missouri	1,027.9	1,037.5	1,286.5	0.9	24.0
Nebraska	316.0	313.7	427.9	(0.8)	36.4
North Dakota	128.1	124.2	182.4	(3.1)	46.9
Ohio	2,468.0	2,313.0	2,579.0	(6.3)	11.5
South Dakota	140.3	131.7	180.7	(6.1)	37.2
Wisconsin	946.2	957.4	1,238.9	1.2	29.4
Regional total	12,653.8	12,360.7	14,952.0	(2.3)	21.0
U.S. total	46,307.8	48,471.7	63,868.6	4.7	31.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

Though the Midwest has lagged behind the national rate of growth in middle-aged population, and is expected to continue, every state in the region is projected to gain in this market during the '80s.

Population by Age Group
Middle-Aged Market: 35-54 Years Old

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	385.2	549.1	871.4	42.5	58.7
New Mexico	217.8	266.8	400.2	22.5	50.0
Oklahoma	565.4	641.8	926.1	13.5	44.3
Texas	2,461.1	2,979.6	4,535.0	21.1	52.2
Regional total	3,629.5	4,437.2	6,732.7	22.3	51.7
U.S. total	46,307.8	48,471.7	63,868.6	4.7	31.8

Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data. *Source: Author's estimates for 1990.*

The Southwest, having outpaced the U.S. growth rate in middle-aged population last decade, should do so again during the '80s.

Population by Age Group
Middle-Aged Market: 35-54 Years Old

WEST	1970	1980	1990	% change '70-'80	% change '80-'90
Alaska	65.0	87.2	140.5	34.2	61.1
California	4,688.3	5,127.8	6,809.7	9.4	32.8
Colorado	489.8	623.3	1,026.6	27.3	64.7
Hawaii	179.8	205.4	293.3	14.2	42.8
Idaho	152.8	183.7	323.9	20.2	76.3
Montana	152.8	162.1	255.8	6.1	57.8
Nevada	121.3	192.2	308.5	58.5	60.5
Oregon	469.2	543.3	914.9	15.8	68.4
Utah	208.5	253.7	421.1	21.7	66.0
Washington	766.5	871.7	1,351.1	13.7	55.0
Wyoming	75.5	92.9	168.4	23.0	81.3
Regional total	7,369.5	8,343.2	12,013.8	13.2	44.0
U.S. total	46,307.8	48,471.7	63,868.6	4.7	31.8

Every Western state is expected to gain in middle-aged population this decade. Except for California, which should outpace the national growth rate by just a slight margin in the '80s, most Western states are expected to greatly outperform the U.S. as a whole.

Population by Age Group
Senior Market: 55 and Older

Region	1970	1980	1990	% change '70-'80	% change '80-'90
Northeast	10,074.9	11,278.4	11,275.2	11.9	N.C.
Southeast	9,172.3	12,227.7	13,454.2	33.3	10.0
Midwest	10,851.3	12,272.4	12,722.8	13.1	3.7
Southwest	2,963.0	3,968.5	4,889.5	33.9	23.2
West	5,593.8	7,454.8	8,652.1	33.3	16.1
U.S. total	38,655.3	47,201.8	50,993.8	22.1	8.0

N.C. No change; decline is less than one-tenth of one percent. Note: Details may not add to totals due to rounding.

Behind the Midwest in senior population both in 1970 and 1980, the Southeast is expected to acquire the highest number of 55-and-overs by decade-end.

Population by Age Group
Senior Market: 55 and Older

NORTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Connecticut	572.0	694.0	737.1	21.3	6.2
Maine	209.2	248.6	285.6	18.8	14.9
Massachusetts	1,179.1	1,323.5	1,365.8	12.2	3.2
New Hampshire	145.6	188.9	206.0	29.7	9.1
New Jersey	1,391.7	1,668.1	1,684.8	19.9	1.0
New York	3,802.5	3,950.1	3,788.2	3.9	(4.1)
Pennsylvania	2,490.2	2,867.9	2,842.0	15.2	(0.9)
Rhode Island	197.4	233.6	245.1	18.3	4.9
Vermont	87.1	103.7	120.6	19.1	16.3
Regional total	10,074.9	11,278.4	11,275.2	11.9	N.C.
U.S. total	38,655.3	47,201.8	50,993.8	22.1	8.0

N.C. No change; decline is less than one-tenth of one percent. Note: Rounded figures for states may not add to regional total. Percentages based on unrounded data.

The Northeast region, well behind national increase in senior population last decade, should be slightly above the U.S. rate of growth in the '80s, though the gain itself is not expected to change.

Population by Age Group
Senior Market: 55 and Older

SOUTHWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Arizona	313.4	563.3	786.4	79.7	39.6
New Mexico	146.9	222.9	303.2	51.8	36.0
Oklahoma	553.9	650.6	739.1	17.5	13.6
Texas	1,948.8	2,531.6	3,060.7	29.9	20.9
Regional total	2,963.0	3,968.5	4,889.5	33.9	23.2
U.S. total	38,655.3	47,201.8	50,993.8	22.1	8.0

A warm, dry climate aids the Southwest in attracting seniors. The region is tagged for continued growth in this market.

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Population by Age Group
Senior Market: 55 and Older

SOUTHEAST	1970	1980	1990	% change '70-'80	% change '80-'90
Alabama	643.8	794.1	941.0	23.3	18.5
Arkansas	436.7	535.2	604.3	22.5	12.9
Delaware	88.2	117.6	132.9	33.3	13.0
Dist. of Columbia	141.7	137.2	122.5	(3.2)	(10.7)
Florida	1,695.6	2,792.5	3,370.5	64.7	20.7
Georgia	750.1	982.2	1,130.5	30.9	15.1
Kentucky	632.6	735.3	963.3	16.2	13.1
Louisiana	610.3	752.6	877.6	23.3	16.6
Maryland	621.9	793.7	868.3	27.6	9.4
Mississippi	425.1	503.3	560.1	18.4	11.3
North Carolina	850.8	1,149.4	1,372.4	35.1	19.4
South Carolina	400.4	563.1	684.2	40.7	21.5
Tennessee	750.9	949.4	1,103.2	26.4	16.2
Virginia	748.7	988.0	1,133.2	32.0	14.7
West Virginia	375.4	434.1	457.1	15.6	5.3
Regional total	9,172.3	12,227.7	13,454.2	33.3	10.0
U.S. total	38,655.3	47,201.8	50,993.8	22.1	8.0

Growth in the senior population should slow substantially among Southeastern states during the '80s, with only Washington, D.C., continuing a trend of negative growth. The region's overall growth, however, is expected to remain above the national average.

Population by Age Group
Senior Market: 55 and Older

MIDWEST	1970	1980	1990	% change '70-'80	% change '80-'90
Illinois	2,139.7	2,362.9	2,332.2	10.4	(1.3)
Indiana	945.4	1,095.2	1,148.9	15.9	4.9
Iowa	617.9	676.1	711.3	9.4	5.2
Kansas	477.8	531.3	566.4	11.2	6.6
Michigan	1,500.5	1,760.4	1,830.8	17.3	4.0
Minnesota	741.4	834.3	903.6	12.5	8.3
Missouri	1,023.5	1,127.8	1,198.8	10.2	6.3
Nebraska	322.2	348.3	371.2	8.1	6.6
North Dakota	124.7	136.3	147.3	9.3	8.1
Ohio	1,938.9	2,246.8	2,278.2	15.9	1.4
South Dakota	142.1	155.1	166.3	9.1	7.2
Wisconsin	877.3	997.9	1,067.7	13.7	7.0
Regional total	10,851.3	12,272.4	12,722.8	13.1	3.7
U.S. total	38,655.3	47,201.8	50,993.8	22.1	8.0

Harsh winters may be one reason for below-average rate of growth in senior population among the Midwestern states. The region lagged behind the national growth rate in the '70s, and is expected to do the same this decade.

Population by Age Group
Senior Market: 55 and Older

WEST	1970	1980	1990	% change '70-'80	% change '80-'90
Alaska	20.7	33.4	43.8	60.8	31.4
California	3,505.0	4,655.7	5,228.3	32.8	12.3
Colorado	360.1	471.9	587.5	31.1	24.5
Hawaii	97.8	162.1	218.5	65.7	34.8
Idaho	133.1	174.8	205.9	31.3	17.8
Montana	131.9	155.6	169.8	18.0	9.1
Nevada	72.5	141.9	204.5	95.7	44.1
Oregon	431.9	555.2	662.3	28.5	19.3
Utah	153.8	209.9	271.6	36.5	29.4
Washington	627.0	821.0	973.7	30.9	18.6
Wyoming	59.9	73.5	86.3	22.6	17.4
Regional total	5,593.8	7,454.8	8,652.1	33.3	16.1
U.S. total	38,655.3	47,201.8	50,993.8	22.1	8.0

All of the Western states—particularly California—gained in seniors from 1970 to 1980, and will likely continue doing so through 1990. The region's growth rate is above the national average.

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Restaurant Business

JUNE 1, 1983

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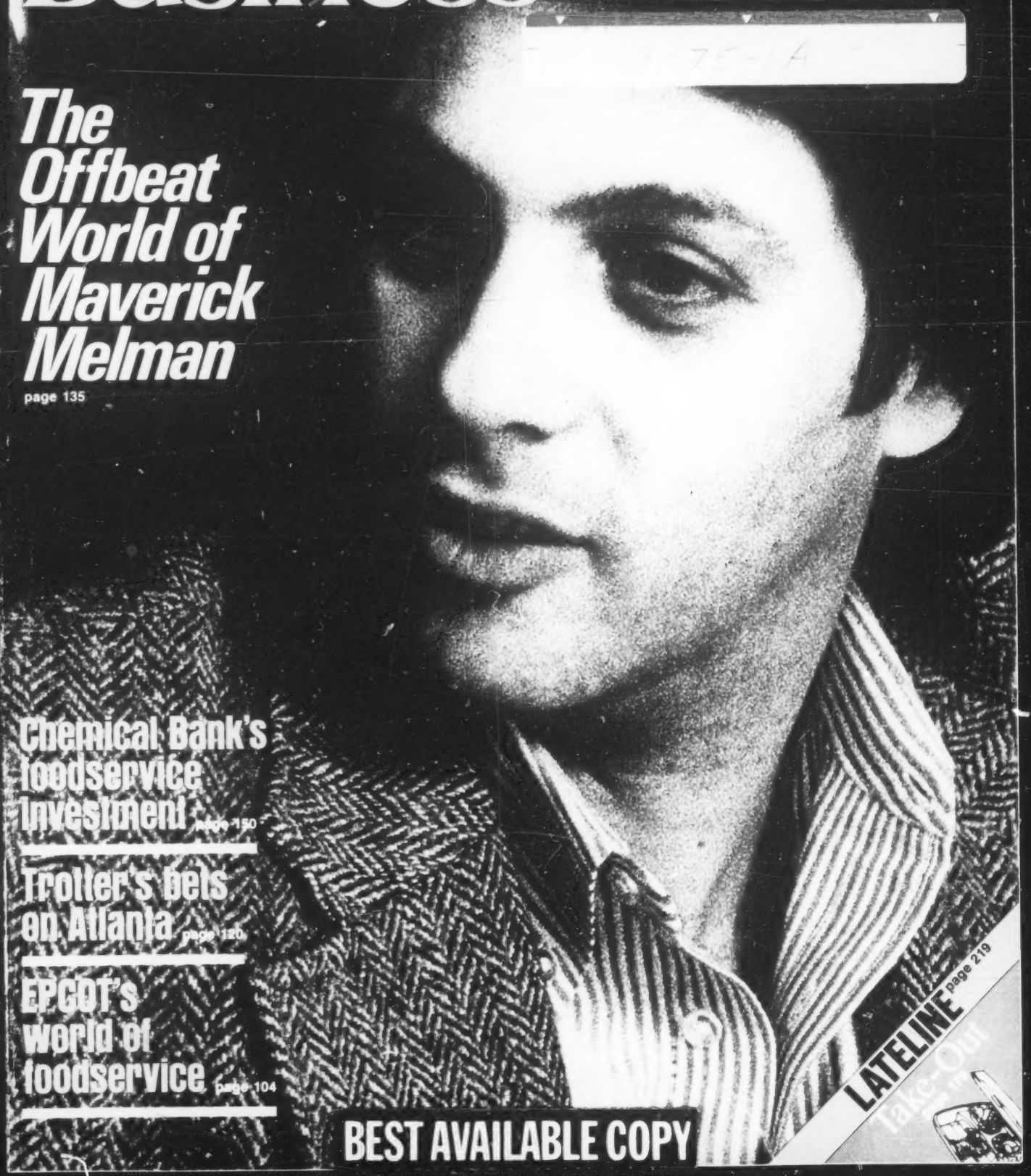

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Take-Out

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Cover photo by Tony Romano

Restaurants rank 1st among retailers in TV budgets

Restaurants and fast food chains spent $576 million on television advertising last year, ranking ninth in total expenditures among all TV advertisers.

In 1982, restaurants and fast food chains again led all categories of retail operations in both local and network television advertising, for a total of $576 million and a 17 percent increase over 1981, according to the Television Bureau of Advertising in New York.

Spending for network TV advertising by restaurants and fast food chains increased by 21 percent, to $170 million, according to data compiled from Broadcast Advertisers Reports, while expenditures for local advertising reached $406 million, a 16 percent increase over '81.

The $170 million spent for network advertising was almost 22 times as much as the $7.9 million laid out by food stores and supermarkets in '82. In local advertising, restaurants and fast food chains outspent the at-home eating segment by more than two to one, with food stores and supermarkets spending $193 million (versus the $406 million spent by restaurants).

Restaurants and fast food chains ranked ninth in total expenditures among all television advertisers, following food and food products, toiletries, automotive products, proprietary medicines, soaps and cleaners, beer and wines, confectionary items and soft drinks, and household equipment and supplies.

Advertisers of food and food products spent $1.5 billion on total TV advertising in 1982, more than any other category. From 1981 to 1982, the hike in national advertising for prepared dinners and dishes was particularly dramatic, rising from $49.3 million to $78.2 million, an increase of 59 percent.

With a total budget of $152.6 million for local and network advertis-

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Top 15 local TV advertisers—1982

Company	1981	1982	% Chg.
1. McDonald's	$ 75,219	$ 92,760	23
2. Burger King	18,390	28,759	56
3. Red Lobster Inns	24,579	25,866	5
4. Pizza Hut	14,006	22,403	60
5. Long John Silver's	20,162	20,159	(0.1)
6. Wendy's	15,820	17,790	12
7. KFC	15,290	14,845	(3)
8. Taco Bell	10,397	11,474	10
9. Hardee's	8,331	10,795	30
10. Jack In The Box	9,800	8,796	(10)
11. Dairy Queen	6,377	8,744	37
12. Sizzler	7,873	8,645	10
13. Arby's	7,193	7,398	3
14. Godfather's Pizza	4,063	5,855	44
15. Denny's	5,277	4,470	(15)
Category total	$351,248	$405,909	16

Source: Television Bureau of Advertising, based on Broadcast Advertisers Reports (BAR) data.
Figures rounded off by ***Restaurant Business*** *in thousands.*

Most restaurant companies boosted their advertising expenditures an average of 20 percent over 1981. Still, none come near McDonald's budget of $64.2 million. Burger King, a distant second, increased its budget 39 percent to $64.0 million.

ing, McDonald's ranked ninth among the top 100 television advertisers in '82, and first among restaurant companies, boosting its TV budget 18 percent over 1981. In '82, the fast food burger chain spent $59.9 million on network advertising (an 11 percent increase) and $92.8 million on local advertising (a 23 percent increase).

With a total budget of $64.2 million—less than half the amount laid out by top-spender McDonald's—rival Burger King placed a distant second in restaurant TV advertising, though it boosted its budget by 39 percent. Third and fourth were KFC and Pizza Hut, spending $42 million and $35.6 million, respectively. Fifth-ranked Wendy's spent a total of $31.6 million on TV advertising in '82.

Almost all restaurant companies increased advertising expenditures in 1982, by an average of 20 percent over '81 budgets. Footing the biggest increase was Pizza Hut, which stepped up its advertising budget by 48 percent.

Only two companies reduced overall expenditures on television advertising: Long John Silver's, by .01 percent, to $20.2 million; and Jack In The Box, by 10 percent, to $8.8 million.

Big spenders Pizza Hut and KFC chose opposite courses in local advertising, with Pizza Hut upping its budget (by 60 percent, to $22.4 million), and KFC reducing local advertising (by three percent, to $14.9 million). Denny's also reduced local advertising, by 15 percent, to $4.5 million, while stepping up network advertising to $12.4 million, a 36 percent increase. Wendy's, too, chose to increase network advertising, to $13.8 million, a whopping 58 percent hike.

More than half of the top 15 restaurant companies in TV advertising expenditures limited their budgets entirely to local spots. These include: Red Lobster Inns, Long John Silver's, Taco Bell, Hardee's, Jack In The Box, Dairy Queen, Sizzler, and Godfather's Pizza. This is the first year Godfather's has gained a place among the top 15 restaurant companies in television advertising, with a budget of $5.9 million, a 44 percent increase over 1981.

Other TV spenders

Among other leisure/entertainment TV advertisers, hotels and resorts in the USA spent $36.9 million, up 56 percent over 1981, on local TV and $21.7 million on network TV, up 12 percent, in 1982.

Amusement and entertainment facilities confined their TV dollars to local advertising only. In 1982 they spent $90.6 million on local TV up 14 percent over 1981 levels.

Movies spent $90.4 million, down 9 percent, on local, and $109.6 million, down 3 percent, on network TV.

Top 15 network and total TV advertisers—1981-82

Company	NETWORK 1981	NETWORK 1982	NETWORK % Chg.	TOTAL TV 1981	TOTAL TV 1982	TOTAL TV % Chg.
1. McDonald's	$ 54,130	$ 59,876	11	$129,349	$152,636	18
2. Burger King	27,832	35,400	27	46,221	64,159	39
3. KFC	20,371	27,184	33	35,661	42,030	18
4. Pizza Hut	10,104	13,283	31	24,110	35,685	48
5. Wendy's	8,761	13,817	58	24,580	31,608	29
6. Red Lobster Inns	—	—	—	25,579	25,866	1
7. Long John Silver's	—	—	—	20,162	20,159	(.01)
8. Denny's	9,168	12,427	36	14,445	16,897	17
9. Arby's Drive-In	3,921	4,802	22	11,114	12,200	10
10. Taco Bell	—	—	—	10,397	11,474	10
11. Hardee's	—	—	—	8,331	10,795	30
12. Jack In The Box	—	—	—	9,800	8,796	(10)
13. Dairy Queen	—	—	—	6,377	8,744	37
14. Sizzler	—	—	—	7,873	8,645	10
15. Godfather's Pizza	—	—	—	4,063	5,855	44
Category total	$141,084	$170,104	21	$492,332	$576,013	17

Source: Television Bureau of Advertising, based on Broadcast Advertisers Reports (BAR) data.
Figures rounded off by ***Restaurant Business*** *in thousands.*

Note: Total TV includes both network and local expenditures. Latter category shown in accompanying table.

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Restaurant Business

SEPTEMBER 15, 1983

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16th Annual Restaurant Growth Index

This exclusive report spotlights trends, sales, purchase, and growth data for eight major market and 38 sub-market segments of the foodservice industry plus a comprehensive statistical profile of the country's metro areas and ADIs, and Top 100 market rankings **83**

Reprints of the 16th Annual Restaurant Growth Index are available for $3 apiece from the editors, Restaurant Business, 633 Third Ave., N.Y., N.Y. 10017.

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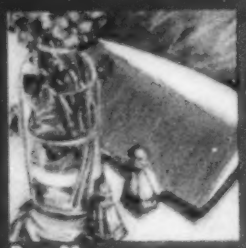
Cover Illustration by Michael Garland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16th ANNUAL RESTAURANT GROWTH INDEX

In this year's edition of the Restaurant Growth Index (RGI), we provide hard data for 1981, best estimates for 1982 (the last full year), and a five-year projection to 1987 for planning purposes.

Last year, we added summary comparisons for real growth for separate eating places, full menu restaurants and lunch rooms. This year, because of their increased importance, we have broken out convenience stores from other specialized retail stores. There is some debate as to the foodservice component of convenience store sales. Our figure is based on a U.S. Census definition which would count ready-to-eat sandwiches; coffee in containers and/or cups; soft drinks in a cup, not in a can; etc. It would not include sliced deli meat or cheese; bagged (in a sealed packaged) snacks; or canned soft drinks. (See Retail page 97)

There will be some differences between the 1981 figures we presented last year and this year. We revise figures as better and more complete data become available. Business and Industry sales were lower by $90 million due to revisions in most employment levels downward. One third of the revision was in vending. The leisure market was revised downward by $106 million principally because of the magnitude of the baseball strike. The student market was revised downward by $130 million primarily because of tighter eligibility requirements and increased prices for school lunches. The health care market showed a downward revision in sales because of an improvement in cost efficiency. Actually, real growth for health care was revised up from 0.8 percent to 2.9 percent.

Foodservice sales in 1982 increased 6.5 percent to a total of $133 billion. This is a conservative figure as it does not include a commercial equivalent dollar volume figure for military feeding (troop feeding) or school foodservice (we count as actual sales only cash paid by students); and it does not include vended can soft drinks, bottled soft drinks or vended candy. We show only food and beverage (alcoholic and non-alcoholic) sales for establishments with payrolls only. In separate eating places, we are 3.8 percent below the maximum possible if we include all sales including tobacco and establishments without payroll.

If we adjust our figures to reflect the higher values generated by the addition of military and school foodservice commercial equivalents and the additional volume in vending categories not originally included, we would show industry sales $17.5 billion higher, for a new total of $150.8 billion. This new total is 13.1 percent higher than the basic estimates.

In our view, these adjustments are not valid because they produce a result which is in turn inflated (military and school feeding), and not comparable (candy sales are not included in the Census of Retail Trade's merchandise line for meals

ILLUSTRATIONS BY SHELLY JORDON

and snacks or alcoholic beverages). In the case of can and bottle soft drinks through vending machines, they are sold through a restricted wholesale distribution network.

For 1987, we project foodservice sales of $198.7 billion. This is a gain of $65.4 billion for the five year period. This is a compound annual growth rate of 8.31 percent or a total growth of 49.03 percent.

Real growth, which is the prime issue, will increase handsomely compared to the past few years. Real growth is expressed in 1982 dollars. On this basis, sales will increase to $154.8 billion in 1987 for a five year gain of $21.5 billion or 16.12 percent total gain. The compound annual real growth is 3.03 percent. This gain represents an improvement in real growth of $8.6 billion over last year's five year forecast, or 66.1 percent higher than last year.

Inflation is still with us and accounts for 67.12 percent of the total gain. While this is considerably better than the 80.37 percent that inflation claimed of the total gain last year, *inflation is still a major problem*. It would be foolish indeed to think that the inflation problem is over.

Inflation is down sharply from the unbearable heights of 1979 when menu prices were up 11.2 percent. The path is as follows: 1980—9.9 percent; 1981—9.0 percent; 1982—5.4 percent; and for 1983 an estimate of 5.0 percent. We are forecasting a compound annual rate of 5.18 percent menu price inflation from 1982 through 1987, about 1.6 percentage points lower than last year and 3.67 percentage points lower than two years ago. Please remember that as the inflation rate subsides, the nominal rate often declines as not all of the inflation rate decline is translated into real growth. This is why the total market is growing more slowly than the rate shown last year. We have the situation where the nominal rate is lower this year by 0.5 percentage points but is up in real growth by 1.0 percentage points.

Wholesale food prices have shown a similar move downward but are doing better in reductions than menu prices. In 1979 wholesale food prices went up 9.54 percent; in 1980—8.04 percent; in 1981—3.07 percent; in 1982—1.09 percent; and the estimate for 1983 is 2.10 percent. We are forecasting an increase of 4.25 percent compound annual growth rate for wholesale food price inflation. This is 0.66 percentage points lower than last year and 3.46 percentage points lower than two years ago.

Menu prices are increasing faster than wholesale food prices and this is causing a decrease in food cost percentage in some operations. From 1979 through 1982 menu prices increased 26.18 percent while wholesale food prices increased 12.51 percent, about half as much as menu prices. Grocery store prices rose 19.88 percent in the same period with the ratio of the price index of food away from home to food at home rising from 4.29 percent high-

Foodservice Industry Summary

	1981 Sales ($000,000)	1981 Purchases* ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases* ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	% Compound Annual Growth Nominal	% Compound Annual Growth Real
Total Market	125,155	55,886	9.1	133,300	58,700	6.5	198,663	8.3	3.0
Commercial/Contract	105,814	41,907	9.5	112,833	44,378	6.6	172,250	8.8	3.5
Institutional/Internal	18,677	11,978	6.9	19,755	12,254	5.8	25,431	5.2	0.4
Military**	664	2,001	8.5	7.2	2,068	7.2	982	6.6	1.4
MAJOR MARKET SEGMENTS									
Eating/Drinking Places	82,209	29,725	10.0	88,377	31,871	7.5	136,798	9.1	3.7
Eating Places	73,888	26,710	10.4	79,640	28,706	7.8	125,826	9.6	4.2
Full Menu Restaurants & Lunchrooms	38,538	14,318	9.2	41,183	15,233	6.9	62,681	8.8	3.4
Limited Menu Restaurants	30,809	10,775	12.3	33,705	11,787	9.4	56,456	10.9	5.4
Hotel/Motel Market	7,133	2,381	8.1	7,369	2,446	3.3	10,731	7.8	2.5
Transportation Market	1,966	860	4.5	2,131	929	8.4	3,305	9.2	3.8
Leisure Market	2,618	967	6.3	2,806	1,025	7.2	4,290	8.9	3.5
Retail Market	3,622	1,320	7.9	3,790	1,372	4.6	5,661	8.4	3.0
Business/Industrial Market	7,961	8,575	8.2	7,843	8,676	-1.5	10,961	6.9	1.7
Student Market	6,828	4,969	7.0	7,347	4,947	7.6	8,279	2.4	-2.1
Health Care Market	10,634	5,213	7.2	11,339	5,554		15,402	6.3	1.6

*Purchases include all food, nonalcoholic, and alcoholic beverages (does not include equipment or supplies).
**Sales data based on post exchanges and clubs; purchase data based on post exchanges, clubs & troop feeding.

er in 1979 to 9.78 percent in 1982. This has made eating away from home less competitive with food at home, and less of a food value.

But even though eating out has declined as a relative value, the basic demand is far from satisfied. The National Restaurant Association repeated a study in the Fall of 1982, first conducted in 1981, with the Gallup organization which confirmed the earlier finding that customer traffic would rise by one third if people could eat out as often as they liked.

The chief element holding people back was money. As we see a moderation in the inflation level for the fixed charges against income such as auto, housing, etc. there will be more available for unsatisfied demands such as eating out or take-out. The increase in the stock market made many middle and upper income people feel richer and, in fact, they are richer.

Real personal income will grow at a compound annual rate of 3.3 percent over the 1982-1987 period. This is the most powerful element in determining eating place sales. We estimate that eating place sales will grow at a 4.2 percent compound annual rate which is 0.9 percentage points higher than personal income. This is an optimistic view which is based on the expectation of a basically positive economic situation over the five year time frame. This will lower unemployment, raise employment, and keep consumer confidence fairly high. Consumer confidence is a fragile thing and is subject to considerable volatility. When confidence fluctuates downward, eating place sales suffer rapidly. In a more stable economic environment, we should see fewer violent swings in consumer confidence.

The weather will be subject to more extreme fluctuations and the strange behavior we have seen the past two years will be more the norm. This will make monthly sales estimates more subject to error.

Convenience will continue to be important to the consumer. There is a funny split personality that the consumer has developed. On one hand, the consumer wants convenience and simplicity and on the other, he wants increased options. Dinner houses will have to combat the menu fatigue factor. Probably the simplest way is to have a menu rotation through the special.

Restaurateurs are striving very hard to do something different and new. There is a strong increase in trying to push the limits of creativity. There is a danger in being too different. The most important value is to do things well. It is not as significant to invent something new as to have something new on your menu.

The patron is still very much in a value conscious mode. Look at your price points very carefully. It would seem over the past two years, that firms who have raised prices least are doing best in the marketplace. We do not think that the value orientation will go away with better times. It is part of a behavior pattern.

Marketing will be done more and more on a meal period basis.

We will continue to have a situation in which regional and even metro area economic behavior and performance will differ markedly from the national average. There will need to be even greater emphasis on local marketing and promotion for the chains and a greater utilization of local knowledge of independents.

In summary, the commercial/contract component of the industry will grow at a 3.5 percent compound annual rate over the time period 1982-1987 due to better economy and a moderating inflation rate. The institutional/internal group will take its lumps as student populations decline and contractors take a larger proportion of the market.

Industry Real Growth Summary

	1981 Real Growth Rate	1982 Real Growth Rate	1982-1987* Real Compound Annual Growth
Total Market	0.5	1.3	3.0
Commercial/Contract	0.6	1.6	3.5
Institutional/Internal	0.5	-0.5	0.4
Military	-0.5	1.8	1.4
MAJOR MARKET SEGMENTS			
Eating/Drinking Places	1.0	1.7	3.7
Eating Places	1.3	2.0	4.2
Full Menu Restaurants & Lunchrooms	0.2	1.1	3.4
Limited Menu Restaurants	3.3	3.6	5.4
Hotel/Motel Market	-0.9	-2.5	2.5
Transportation Market	-5.3	2.6	3.8
Leisure Market	-2.4	1.8	3.5
Retail Market	-1.2	-1.1	3.0
Business/Industrial Market	-0.6	-7.3	1.7
Student Market	-2.1	-1.8	-2.1
Health Care Market	2.9	1.9	1.6

**Wholesale food price index will increase at 4.25% compound annual rate 1982 through 1987. Menu price index will increase at 5.18% compound annual rate 1982 through 1987. We use compound annual growth rates to express change in our projections because they are mathematically correct. To illustrate, if we multiply the 1982 industry total of $133,300,000,000 by the compound annual growth rate of 8.31 percent (1.0831) and then multipled the result by 1.0831 and repeated the procedure three more times, we would obtain the 1987 result of $198,663,000,000. If the same procedure was duplicated using 9.81 percent (1.0981), the average annual growth figure, the result would be a projected sales figure for the industry of $212,833,000,000 in 1987.*

Jeffrey L. Hall, formerly director of marketing at Market Statistics, is a consultant to RB.
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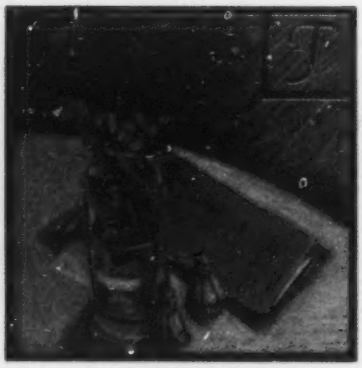
Separate Eating & Drinking Places



Simple American fare breeds elegance at Santa Monica's Michael's.

The separate eating and drinking place segment continues to be ferociously competitive. If consumers feel optimistic about the future, the proportion of the food dollar spent away from home should grow—a fact that promises a slowly expanding market. As the market slowly expands, however, the competition expands quickly, gobbling up market share.

That means that operators who pursue strong, steady growth have to manage resources prudently and keep a canny eye focused on the consumer. The customer's tastes are changing, and so is his lifestyle. The good operator will flourish by stealing market share from competitors, while the marginal operator who survived simply because there was once enough business for everybody probably will suffer.

Customers still rate eating out as a good way to spend their entertainment dollars, but the customer soon becomes sated with the same old menu selections. He constantly seeks new tastes to tantalize his increasingly sophisticated palate, so it's important to note the emergence of two new styles of cuisine as well as the popularity of a variety of new menu items and the expansion of menus in the fast food segment of the industry. The customer's tastes in atmosphere change, too. The Baby Boom customers who fueled growth in the '70s are moving into their more sedate 30s and beginning to show a preference for more sophisticated, classical elegance—though not for higher prices. The "funky" restaurants of the '70s are still very popular, however.

Only the most savvy operators will survive in today's tougher-than-ever competitive environment.

The customer of the 80s is also very value conscious, and children are back in style. Hence, the popularity of a number of limited-menu restaurants that deliver excellent values at moderate prices in casual surroundings. Proliferating pizza chains fall into this category.

Another significant trend that can't be ignored by any operator in today's climate is the customer's hunger for "healthy" and "light" foods, or at least foods that he perceives to be healthy and light. Customers, however, will indulge themselves if they perceive quality and freshness. That's the reason for the popularity of gourmet ice creams and fresh bakery products.

Because of the intense competition within the fast food sector—and because of the aging of the customer—many fast food operators are expanding menus and upgrading decor. A whole new crop of operators is ful-

PHOTO BY DAN WYNN

filling a perceived need for "upscale" fast food, while at the same time a few see a need to return to the no-frills basics of fast food. They offer super fast service and extremely limited menus.

The new cuisine that is arousing interest from New York to San Francisco and myriad points in between is loosely described as "American." The other is France's "Cuisine Evolutionnaire," born in Lyon and capturing the flavor of traditional cooking and the lightness of nouvelle (see article in May 15 *RB*).

In New York, Cajun dishes with crawfish are popular, and New Orleans chef Paul Prudhomme of K. Paul's Louisiana Kitchen is showing up on local talk shows. In California, oyster bars abound and customers relish the smoky taste of fresh seafood broiled over mesquite wood.

The new American cuisine, however, is hard to define. Start with fresh American products, perhaps use American regional recipes and ethnic contributions as a base, then take off from there with typical American creativity. The key, everyone agrees, is native American ingredients.

Adding lounge areas and seafood bars keeps Monterey Bay Canners competitive.

At Printer's Row, a cozy inn-style restaurant in Chicago's South Loop area, owner Michael Foley serves such delicacies as quail, venison, duck, brook trout, Lake Superior whitefish, coho salmon and Wisconsin goat's cheese.

"We are a melting pot of cooking, so there's no very rigid definition of American cuisine," says Foley. "When we say American cooking, we mean indigenous products served in our own unique ways. For instance, I serve steak and pesto with basil vinaigrette. We do some sauces, but they are very light. We use a lot of fresh herbs."

Michael McCarthy, owner of Michael's in Santa Monica, emphasizes that the new American cuisine requires as much skill and artistry as any French cuisine, yet at the same time is very simple.

McCarthy studied the classical approach to French cuisine in Paris for three years, then operated a small restaurant in the city at the time nouvelle cuisine grew popular. Those influences combined with his own American upbringing shaped the style of cooking that he has helped pioneer. "The focus is on the quality of ingredients. The food is very well thought out. You have to have an eye for that, like buying art," he says.

At Michael's, where the average dinner check runs to $75, you won't find any stuffed dishes or studious French nouvelle cuisine work. Nearly everything is grilled. A typical dinner selection might be very thin spaghettini topped by grilled Texas shrimp with California caviar, a cream sauce and grilled scallops, or a cold confit of Walla-Walla sweet onions topped by grilled fresh South Carolina quail with cilantro, a hint of lime and grilled jalapeno peppers.

The interest in American foods is felt beyond the world of haute cuisine. Cafes like the Hay St. Bar & Grill in San Francisco, the Fourth St. Bar & Grill in Berkeley and Spago in Los Angeles offer highly affordable American selections. New York City-based Restaurant Associate's new restaurant, the Festival Cafe in Rockefeller Center, offers American cuisine amidst works of art on loan from the Museum of American Folk Art. Texarkana, also in New York City, offers fried chicken, barbecued steak and crayfish.

Restaurateurs everywhere are grilling fresh local fish and serving up healthy portions of San Francisco fish cioppino (developed by Portuguese fishermen on the West Coast), chowders, fritters and crabcakes—all indigenous recipes. In Kansas City, the new Heartland Market in the Crown Center complex near downtown serves almost all indigenous American foods in a series of cafes and retail outlets built around the Crystal Pavilion Restaurant. For instance, products in the Blueribbon Deli are 85 to 90 percent American, including about 40 California vinegars and 30 American mustards. The Golden Harvest Bakery and the Bakery Cafe sell a variety of turnovers and pot pies.

Mexican food, too, still enjoys widespread popularity, and leading chains continue expansion with no end in sight. Executives disavow the notion that any area of the country is completely overpopulated with Mexican restaurants, so the Mexican march continues. "We're presently going into Columbus, Ohio, where there's an El Torito and two Chi Chi's, and into Pittsburgh where there are four Chi Chi's," says Ed Ourant, president of Casa Lupita, owned by Ponderosa. "We feel that there is room in these markets for our quality, service and ambience." Ourant says Casa Lupita expects to be opening 18 to 20 restaurants a year from now.

Casa Lupita, like its competitors, is eyeing the Northeastern seaboard, until recently nearly virgin territory in which to introduce Mexican mania.

Barbecue is another menu selection that is gaining in popularity. Traditional Southern barbecue requires many hours of slow cooking and entails both high food costs (because of meat shrinkage) and high labor costs (because the meat has to be coated repeatedly with sauce). Modern machines have taken the pain out of barbecue and made it possible to mass-produce the American specialty. Appreciative Americans are re-

Fickle customers easily become sated with the same menu items, so following new food trends becomes vital

sponding by perceiving this finger food as fun food and frequenting chains like Tony Roma's A Place for Ribs, Bobby Rubino's Place for Ribs and the Red River Rib Co. Bobby Rubino's recently opened a unit in New York City and another across the river in New Jersey, an attempt to bring barbecue to more sophisticated urban markets.

Because of executives' belief that the national market for ribs is wide open, Chart House is expanding Luther's, a small chain of cafeteria-style barbecue restaurants in Texas and Louisiana. Further north, two of Chicago's trend-setters, The Levy Organization and Lettuce Entertain You Associates, have opened fashionable new barbecue restaurants. Levy's offering is Randall's, which offers ribs in posh surroundings at an average check of $35 for two. Rupert's Rib & Chop House from LEY offers barbecue, pasta and German specialties in an atmosphere somewhere between "Bennigan's and a '50s steak house."

Another food that is grabbing customer attention is fresh pasta, which lends itself to preparation in display kitchens by chefs in full regalia. Restaurants like Franco's Pastaria in Boulder, Colo., offer a variety of pastas made daily with several sauces held on a steam table.

On the other side of the country, a restaurant called Pastabilities by Celentano is poised for expansion. The 96-seat restaurant in the elegant Short Hills Mall in Short Hills, N.J., offers six fresh pastas and six sauces to make a variety of moderately priced, quickly prepared entrees ranging from ziti bolognese to linguine with white clam sauce. President Tony Bastardi says that prices range from $4.50 for pasta with marinara sauce and a salad to $8.50 for Vitello domenico, served with salad and pasta. A second Pastabilities will open this fall, and three more in 1984. Franchising is under consideration.

Another Italian entree growing in popularity is "gourmet" pizza made with a variety of fresh, exotic ingredients ranging from shrimp to caviar. Wolfgang Puck of California's Spago has gained attention for his pizza offerings. With customers' interest in anything fresh and perceived as healthy and low-calorie, fresh fish is extremely popular. Monterey Bay Canners, a chain of nine restaurants in California and Hawaii, always has served fresh fish grilled over mesquite wood, but increased sales between 30 and 50 percent in remodeled units by adding lounges and oyster bars, says Ron Higgins, president of Transpacific Inc., which owns the chain. The oyster bars serve fresh stuffed mushrooms with bay shrimp and crabmeat topped with mornay sauce, fresh oysters, steamed clams, fresh clams and "peel 'em and eat 'em shrimp," among other things.

Bob Evans Farms, a chain of family restaurants in the Midwest, recently added catfish to its menu. "Sales of catfish, which is generally not sold with any regularity in northern states, have been very strong," says president Bob Wood. "Our menu is slanted toward a lot of fried foods and is fairly hearty, but we are having more requests for lighter foods."

Customers also have been expressing a desire for fresh baked goods, leading to a renaissance of small bakeries producing cornucopias of fresh-baked goods. One small chain is Il Fornaio, which operates several outlets in San Francisco and the Los Angeles area. Owned by Williams-Sonoma Corp., the bakeries are affiliated with the Il Fornaio chain of 364 bakeries in Europe. As many as 40 different kinds of breads and sweets are made daily. Selections range from sesame-studded Sicilian breads to potato breads, calzones and focaccias, similar to pizza. For these bakeries some kind of food operations become logical extensions, and Il Fornaio serves a limited breakfast menu.

The Glass Oven, a small chain based on Long Island, started life as a bakery chain but has repositioned itself as an alternative to traditional fast food. The menu is limited to soup plus stuffed croissants, quiche, pepperoni rolls, pigs in the blankets, muffins and various other baked goods. "We decided to add seating because we saw that in just a little more space we could make a lot more money," says Sheldon Sanders, vice president.

As the customer has become more sophisticated in his food tastes, he seems to be tiring of anything "funky." In an effort to appeal to an older, more urbane customer, trend-setter Houlihan's has revamped its menu layout. Gone is the colorful, tightly clustered layout with a variety of type styles, replaced by a conservative black-on-beige look. A number of specialty drinks

A&W's new "Good Food" concept in a New Jersey shopping mall, with a diversified menu and upgraded decor.

have been added, and a children's menu has been added in recognition that yesterday's Baby Boomers are producing, belatedly, a Baby Boom Echo but don't like to give up eating out. New "canastas" (flour tortillas with a variety of fillings) are a nod to the popularity of Mexican foods, and five varieties of hamburgers have been added to the previous two.

Some operators also are abandoning the cluttered decor and themes of the '70s for more sedate, classical environments. "We've taken the theme completely out

Liquor service and broad menu position Gadgets as more upscale than other entertainment concepts.

and gone very 'generic,' " says Transpacific Corp.'s Ron Higgins about the company's 25 Jolly Roger restaurants in southern California. "Eating at Jolly Roger now is like eating on a patio. We've lightened up the interior, added a greenhouse, brought the bar upstairs and eliminated the heavy nautical feeling." The company also has updated the menu and will expand the revamped concept at a rate of four to six new units a year.

Chicago's Levy Organization, which is considered by many to be the city's leader in restaurant design, is opting for very simple, elegant interiors. An example is Hillary's, a trendy eatery serving omelets, salads and quiches as well as charcoal grilled fresh fish and fresh pasta. The Levy Organization has four Hillary's; two are in metropolitan Chicago, one is in Pittsburgh and one—in partnership with New York City's Restaurant Associates—is in Hackensack, N.J.

Hillary's decor is very traditional, with peach glass mirrors, brass, lots of dark mahogany and a prominently placed octagonal bar, which stimulates the concept's liquor sales (45 to 50 percent of sales derive from liquor). "This is not a 'funky' or fun restaurant," says Bill Post, v.p. of operations. "Decor is more sophisticated, very traditional but very simple. A lot of 'funky' places won't be around in 10 years, but this design is timeless. People get tired of other approaches."

One thing that hasn't changed is the Baby Boomers' concern with value, and the number of low to moderately priced restaurants offering limited menus and excellent value is increasing.

The potential of these chains is evidenced by the fact that Norman Brinker, formerly head of the Pillsbury Restaurant Group, has left the world of big business to head one. His new home is Dallas-based Chili's, which serves chili and ½-lb. gourmet hamburgers with a variety of different toppings. Average check is $5, and portions are plentiful.

Chili's is casual, with less emphasis on the bar than a theme restaurant. Price/value ratio is very high, because there is a lot of emphasis on consistency and product control. Currently, Chili's has 23 units, but Brinker says he will open 10 Chili's a year.

Saga has just acquired Houston-based Spoons, another limited menu, casual, low-average-check concept. And Bennigan's is experimenting with a similar "downscale" concept called J.J. Mugg's, positioned between Burger King and Bennigan's.

Because of intense competition and older customers, fast food operators have been attempting to gain market share by adding new menu items. Burger King is appealing to health-conscious consumers with its salad bar, recently rolled out nationwide, and a salad sandwich in pita bread is its newest menu entry.

Wendy's is testing dinner, and San Diego-based Jack In The Box already has introduced boxed dinners, each with an entree, wedge fried potatoes and a salad. A sirloin steak dinner sells for $3.49, chicken breast strips for $2.99, and fried shrimp for $3.29. The chain also offers a line of salads and several new sandwiches. Director of marketing Jay Brown notes that the chain is seeking to fill the need for a varied, high quality menu in a fast food format, instead of the need for quick hamburgers.

A few of the fast food restaurants have expanded menus and upgraded decor to the point that they're a new kind of restaurant. They serve a broad menu in upgraded surroundings, but they serve that menu very fast and using disposables. An example is A&W's new Good Food unit at Short Hills Mall in Short Hills, N.J. The A&W outlet features such dishes as shrimp tempura for $3.50 and pasta with a variety of sauces. Hamburgers and hot dogs are also on the menu, with a "dress-your-own" bar.

Columbus-based G.D. Ritzy's is another example of this genre, which calls itself "upscale fast food." "The customer is more discerning and discriminating now," says Thomas Santor, v.p. of marketing for Ritzy's. "We're upscale from fast food, but we offer speed, price and service. The average check is a little more, but if the value equation calls for higher costs, it's O.K. to the customer. Everybody's looking for value today."

G.D. Ritzy's, founded by Graydon Webb (Wendy's first director of franchising), serves such things as an extravagant peanut butter and jelly sandwich, spicy Cincinnati-style chili, hot dogs, hamburgers and other

fast food. A full 50 percent of sales come from the company's gourmet ice cream, which is low in air content and high in butterfat.

Founder Webb has called Ritzy's "a Friday's without liquor," and investors have been eyeing the chain's course with interest. Santor says that 30 to 40 stores will be added to the company's existing 29 stores this year.

Also positioning itself one step above typical fast food outlets but one step below typical full-service restaurants is Atlanta-based D'Lites, which plays on the public's interest in nutrition by offering "light" fast food. According to the company, a typical fast food meal at D'Lites offers half the calories of other outlets (498 calories vs. 1,066 calories).

While many fast food operators upgrade and lose something of their fast food identity, a few operators see room for a return to the basics of fast food: an inexpensive, very limited menu served *very* fast. One example is the no-frills Hamburger Stand, being developed by Newport Beach-based Der Wienerschnitzel, which serves 1.6 oz. hamburgers for 39 cents.

In New York City, Burger King franchisee John Diab of Consumer Food Services has developed the Whopper Express, a tiny outlet in the populous Wall Street area where a customer can walk in, be served and walk out again in 2½ minutes. The Burger King menu has been slimmed down to only a few items.

"The main reason for this type of unit, which is one third the size of a normal Burger King, is to penetrate high-volume urban areas where rent costs make it almost impossible to locate otherwise," says Diab.

He notes that the unit's volume is substantially higher than Burger King's national average, yet costs are lower in comparison to a full service store.

Continuing in popularity are the restaurants, like Pizza Time Theater, that combine food with video games and electronic entertainment. One of the newest is Gadgets, which features life-sized Looney Tunes cartoon characters. Unlike some of the others, Gadgets serves a broad menu, offers a lounge and appeals to singles as well as families. "We're not a pizza restaurant. We're more like TGI Friday's or Houlihan's than Pizza Time Theater," says Richard Hampton, v.p. of marketing for Leisure Development Corp. of America (owned by Warner Communications) which is developing the concept. Several locations are already open, and Hampton says five more units will open this year. After that, one and a half units, all company-owned, will open every month next year. The company is also considering franchising.

The shake out in the industry continues, with news of acquisitions and closings frequent. Jojos units recently were converted to Coco's; and Roy Rogers has absorbed Gino's. Chi-Chi's largest franchisee, Oklahoma-based Kelly-Johnston, has acquired the 26-state cafeteria chain Duff's Smorgasbord; Hardee's has absorbed Burger Chef; and Pillsbury has acquired Haagen-Dazs.

Despite the competition, however, opportunity is always present for the savvy entrepreneur with the right idea.

Separate Eating and Drinking Places

1981: $82,209,000,000 +10.0% Sales Growth | 1982: $88,377,000,000 +7.5% Sales Growth

1987: $136,798,000,000 +9.1% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth Nominal	1982-1987 % Compound Annual Growth Real
Separate Eating Places	73,888	26,710	10.4	79,640	28,706	7.8	125,826	9.6	4.2
Full Menu Restaurants & Lunch Rooms	38,538	14,318	9.2	41,183	15,233	6.9	62,681	8.8	3.4
Social Caterers	806	310	3.9	814	311	1.0	948	3.1	-2.0
Public Cafeterias	2,315	867	7.0	2,413	903	4.2	3,397	7.1	1.8
Limited Menu Restaurants	30,809	10,775	12.3	33,705	11,787	9.4	56,456	10.9	5.4
Ice Cream, Frozen Custard Stands	1,420	440	10.1	1,525	472	7.4	2,344	9.0	3.6
Bars & Taverns	8,321	3,015	7.0	8,737	3,165	5.0	10,972	4.7	-0.5
TOTAL	82,209	29,725	10.0	88,377	31,871	7.5	136,798	9.1	3.7

The Hotel/Motel Market

Monthly menus highlighting indigenous, seasonal foods add a modern touch to Boston's stately Copley Plaza.

This has been a rough and tumble year in the hotel industry, a time marked by chains and independents moving in different directions but sharing the common goal of boosting sales and profits. It has been a year in which upper mid-price chains have scaled down a niche while moderate chains have reached up. Indeed, some companies remain intent on straddling every market segment. Certain chains moved deep into the suburbs while others have reclaimed the cities.

Since the carriage trade is considered recession-proof much of the emphasis has been on luxury, resulting in the birth of a new chain with a renowned old name.

Atlantic City, once considered a lightweight contender compared to sister gaming cities Las Vegas and Reno, has become a heavyweight sporting frenetic hotel growth and development.

This activity in the hotel industry is indicative of the segment's expected, albeit moderate, rebound in 1983. 1982 sales of 7.4 billion represent a 3.3 percent increase over 1981 sales. Real growth in this market should reach 2.5 percent.

Peter Hothorn, vice president of food and beverage for Inter-Continental Hotels, believes the outlook for the worldwide lodging industry is brightening. "There is a new strength in Africa, in Europe and in North America. The Middle East is soft but this is due to high fuel costs and the shaky political situation," he notes.

Hothorn's optimistic analysis is echoed by the monthly *National Trend of Business in the Lodging Industry* published by Laventhol & Horwath. According to the report, the occupancy rate for U.S. hotels during 1982 dropped to 64.6 percent, a decrease of 4.6 percent from 1981. However, despite soft rates, the report rated the overall health of the industry as "good."

Taking into account the traditional six month lag behind other economic segments that is experienced by the hotel market, it is not surprising that analysts predicted a moderate rebound beginning in the fourth quarter of 1982 and carrying over into 1983. Occupancies are expected to increase 2.6 percent and total sales to rise 11.3 percent by year-end 1983.

Although long term growth possibilities look good, operators have not been lulled into a false sense of security. The downside economy of the past two years has had a dramatic impact on the lodging industry.

According to Dr. Peter Yesawich, a marketing specialist with Robinson's Inc., rooms inventory has increased seven to eight percent a year over the last three years. Unfortunately, certain pockets have become overbuilt and supply continues to outpace demand.

In addition, the soft economy forced many companies to cut back on travel. Illustrative of the impact of corporate cost cutting is the fact that in 1982 business travelers accounted for 44.8 percent of room rentals at airports and 32.4 percent at center-city locations. During the same period in 1981, 53 percent of room rentals at airports and 38 percent at center city hotels were attributable to business travelers.

These combined factors have forced chains and independents alike to re-evaluate their overall operations.

As a result of this in-depth scrutiny, the business traveler has received the lion's share of attention. Escalation of marketing warfare to capture this customer base has resulted in the debut of several new concepts.

Holiday Inns, the lodging giant, recently announced plans for the formation of a new chain of upscale properties. Called Holiday Inn Crowne Plaza Hotels, the $200 million investment will cater to corporate accounts by offering amenities such as valet service, express check in and check out, free HBO movies in all rooms and a complimentary Continental breakfast. In return, the upscale business traveler will pay a room rate $15 to $20 higher than usual.

In the opposite direction, Marriott, with its well-established foothold in the upper mid-price market, is testing a concept on the lower end of the scale. Since Marriott believes the "moderate priced market" represents the largest in the industry, savvy business instincts directed the Maryland-based chain to develop the "Courtyard concept" to compete against Ramada Inns, Howard Johnson and other companies in the mid-price range. Currently five hotels ranging in size from 125 to 150 rooms are scheduled to open in the Georgia market. (Three properties are located outside Atlanta, one outside Augusta and one near Columbus.) Marriott em-

Major casinos are building second hotels in Atlantic City.

phasizes that these downscale properties are "just tests." Sixty percent smaller than the typical Marriott hotel, Courtyard properties include a pool, one restaurant and a lounge. Room rates will average $50.

Quality Inns and Ramada Inns continue their strategy of straddling all three markets. Both chains—recognized primarily for their mid-priced properties—have diversified into a three-tier system. Quality Inns operates Comfort Inns for the budget conscious traveler; Quality Inns for the mid-price market and Quality Royale for the more upscale customer. Ramada's corresponding units are Ramada Inns, Ramada Hotels and Ramada Renaissance properties.

With 40 new hotels scheduled to open by 1985 and 13 expansions underway, Hilton Hotels Corp. is in the midst of an aggressive expansion. Not surprisingly, some of the chain's newest properties are located in a hot bed of hotel growth: suburban "corporate country." Recent additions to the chain in Parsippany, Seacaucus and Somerset, New Jersey, tap an increasingly attractive market for Hilton.

Notes Jim Rice, vice president of food and beverage for the Eastern region: "These hotels attract a customer base comprising both upscale business executives and well-to-do local residents. This mix—which is vital for any property but especially for suburban hotels—helps keep the hotels successful."

Indeed, hotels are increasingly marketing their public space—notably restaurants, lounges and lobby areas—to attract that all important complement to the hotel guest, the local customer.

Apley's restaurant in the Sheraton Boston hotel serves as an example of a chain's ability to successfully tap the local market. Following rave reviews in *Boston Magazine*, the restaurant has become so popular with locals that it is difficult for guests to make reservations.

Apley's popularity with the public is due for some stiff competition. In the latest issue of "TableTalk," a publication issued from Westin's vice president of food and beverage, Jacques Bourgeois, there is an extensive listing of "What's Hot" and "What's Not." Boston, it seems, is very hot.

With the construction and completion of The Westin Hotel and Marriott Hotel at Copley Place, the Back Bay Hilton and The Four Seasons, total first class rooms available in Boston will jump dramatically from approximately 5,000 to an excess of 11,000.

Coinciding with this building boom is the renovation and expansion of the Hynes Auditorium, currently Boston's largest exhibition hall. The $170 million refurbishment program, however, will not be completed until early 1987. In the meantime, these hotels will not be responding to new demand, they will instead be responding to a shift in demand. In effect, all of these major chains and the popular independent properties will be competing for the same customer base.

Like Hilton, Westin Hotels is embarked on an ambitious expansion program. The recent opening of its Boston hotel occurred halfway through the chain's $1 billion growth program. The 800-room Westin Hotel at Copley Place features a specialty seafood restaurant called Turner Fisheries of Boston as well as a popular priced restaurant, The Brasserie. Not surprisingly, Turner Fisheries will highlight local favorites, like New England clam chowder, on its menu.

Located near the sleek and modern Westin high-rise is Boston's grande dame, the stately Copley Plaza (not to be confused with the new Copley Place). Opened in

Hotel/Motel Market: Foodservice Sales

1981: $7,133,000,000 +8.1% Sales Growth | 1982: $7,369,000,000 +3.3% Sales Growth

1987: $10,731,000,000 +7.8% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth: Nominal	1982-1987 % Compound Annual Growth: Real
Hotels	4,818	1,595	8.5	5,040	1,661	4.6	***	***	***
Motor Hotels	854	284	8.0	878	290	2.8	***	***	***
Motels	1,461	502	6.8	1,451	495	-0.7	***	***	***
TOTAL	7,133	2,381	8.1	7,369	2,446	3.3	10,731	7.8	2.5

****There is not sufficient data to develop individual projections for these sub-market segments.*

1912, The Copley Plaza caters to what general manager Alan Tremain describes as "a small market looking for the style and grace of European service in the U.S."

Indeed, the hotel's Cafe Plaza restaurant exudes an old-fashioned ambience heightened by the hand-carved wood molding that encompasses the dining room and the marble floors that are chipped from age in certain spots. However, there is nothing old-fashioned about the hotel's food and beverage operations. Tremain's savvy business instincts have made both of the property's restaurants well-known in the city.

Copley's restaurant, which debuted in 1972, was one of Boston's first "Meet and Greet" operations geared to attract an informal, relatively young (aged 24 to 35 years) professional crowd. The casual atmosphere appeals to both the local clientele as well as the hotel guest.

On the other hand, the hotel's Plaza Bar and Cafe Plaza are skewed to a slightly older age group (late 30's, early 40,s and up). This customer, attired in the required jacket and tie, comes to the Cafe Plaza prepared for an upscale dining experience.

"Food and beverage has become increasingly more important and, therefore, complicated during the last 10 years," notes Tremain. To keep up with changing tastes, a series of monthly menus recently were introduced at the Cafe Plaza. The menus highlight indigenous, seasonal foods. For example, the June menu featured "Cape scallops" and "grilled swordfish."

An interesting addition to the menu is a section called "The Taster's Menu." This provides a variety of the month's best offerings for a fixed price of $39.75 per person. Included on the June Taster's Menu were soft shell crab meuniere, warm salad of crayfish and wild mushrooms, cold consommé with sherry and honeydew, lobster, dandelion salad, lamb, a selection of cheeses and a raspberry chambord souffle.

The Ritz-Carlton—a hotel name long associated with the upper-crust in Boston—will share its name as a member of a new chain of upscale hotels. The new Ritz-Carlton Hotels Company (neé Monarch Hotels) is a division of the Atlanta-based W.B. Johnson Properties Inc., a real estate development and management company. W.B. Johnson is no stranger to the hotel industry; its JP Hotels division is responsible for the operation of 11 Holiday Inns and five Marriott Hotels.

Last spring, W.B. Johnson announced the formation of Monarch Hotels under the direction of a management team headed by Colgate Holmes and including Horst Schulze. Holmes is former president of Hyatt International and Schulze is former vice president of food and beverage for Hyatt Hotels Corp.

However, in mid-summer, the company purchased the Ritz-Carlton in Boston and the use of the name for an undisclosed price.

Director of operations Schulze sees only advantages to the Ritz-Carlton name. "People associate that name with high quality. And, we have very high standards. As a result, we feel comfortable putting that name on our product."

American cuisine tops the menu at Inter-Continental's newest property in San Antonio, Texas.

Schulze's experience at Hyatt is evidenced by his keen interest in Ritz-Carlton's foodservice potential. "Since most of a hotel's profits are from rooms, many chains treat the restaurants like step-children. They cut the foodservice budget from month-to-month depending on the bottom line. As a result, food and beverage operations are squeezed into a corner. Our commitment runs deeper than that. We will use only fresh foods. We won't sacrifice even a quarter ounce of butter for quality," he insists.

The first "new" property is scheduled to open in the Buckhead section of Atlanta later next month. According to Schulze the hotel will feature two restaurants: Pelagos (a specialty seafood restaurant) and Crescend (a multi-purpose facility) as well as a deli.

It is when describing the deli that Schulze is most enthusiastic. "This is something I have always wanted to do," he says. He describes the Expresso deli as a "grocery store where you can sit down to eat. It is a combination take-out facility and deli. You can buy coffee by the cup or the pound; wine by the glass, bottle or case."

Established chains have been reaching into new markets.

The Expresso deli's inclusion in the Buckhead property is illustrative of an important marketing tool which is becoming increasingly popular in hotel food and beverage facilities: the growing use of take-out. Take-out enhances the hotel's market exposure while efficiently using space and labor.

Fred Rufe, vice president of food and beverage for Hilton International, notes that take-out is an important factor for his company's food and beverage strategy.

For example, at Chicago's Drake Hotel the pastry chef's cakes recently were made available for off-premise consumption. In addition, at The Patisserie in Hong Kong, cooperation between restaurant and take-out is carried one step further. The two facilities often run joint promotions. So, when a strawberry festival is held in the restaurant, a selection of strawberry desserts is also available for purchase.

Rufe is also a passionate believer in American cuisine. This philosophy is well-represented by the American Harvest restaurant at the Vista property in New York City. American Harvest features monthly menus highlighting the freshest seasonal offerings illustrated by stylish photographs on the restaurant's menus.

Inter-Continental is another chain which highlights the specialties of American cuisine. At Jefferson Manor, the principal restaurant at the recently opened St. Anthony Hotel in San Antonio, innovative regional American fare is available. The menu features items such as veal sweetbreads and Gulf shrimp, Texas catfish, crepes of venison and Minnesota wild rice, and breast of chicken filled with Wisconsin goat cheese.

Special promotions are used by some chains to point up the popularity of American regional foods. For example the Westin Hotel in Cincinnati recently featured a "Bourbon Street comes to Fifth St. Market" promotion bringing Creole cuisine to the Midwest.

While some chains are fine-tuning their food and beverage operations, Dunfey Hotels is preparing to revamp its foodservice facilities through 18 major projects. Walter Staib, vice president of food and beverage of the chain, believes in the importance of merchandising. And, through some innovative marketing tools, he hopes to breathe some new life into Dunfey's food and beverage facilities. "Having good food is no longer enough," he laments.

Staib, who is enamoured of the large food extravaganzas like DDL Foodshow (movie producer Dino DeLaurentiis' upscale Manhattan gourmet emporium), is looking forward to merging the excitement of these facilities with current operations. One of the first challenges will be the renovation of the popular 22-year-old Rib Room at Dunfey's New Orleans property.

"I envision a rotisserie extraordinaire," he notes. "Customers will be able to order a plate featuring a variety of roasted meats fresh off a large copper-hooded rotisserie."

Since Dunfey's target customer base includes the well-heeled business and vacation traveler as well as the local customer, Staib is counting on a bit of "snob appeal" to implement a merchandising suggestion for the Minneapolis and New Orleans properties. "We will offer our preferred customer individual wine bins. (These bins line the walls of the restaurant as displays.) The owner's bin will be designated by brass name plates and the customers will have their own keys. It will be very impressive," he says.

Resurgence in the hotel industry is evidenced by the upswing in occupancies in the Northeast (expected to increase 3.5 percent over last year). This optimism helps explain the building boom in Boston. Another city enjoying what has been dubbed as its "second wave of development" is Atlantic City. The seaside resort has made significant in-roads on the business once reserved for Las Vegas and Reno.

As a result of the high gaming wins over the past year, investors are eyeing the famous Boardwalk in a more favorable light. Currently, there are approximately a half dozen properties under construction or slated for development. Three of the proposed properties are backed by companies who have already established a toe-hold in the East Coast gaming city.

Caesars World should break ground this fall for its second property—a 500-room hotel with 50,000 sq. ft. of casino space. The opening is scheduled for 1985.

Harrah's confidence in Atlantic City is illustrated by its joint venture with the New York-based Trump organization. This 613-room property, slated for opening in the spring 1984, will be Harrah's second.

One of the Boardwalk's most ambitious builders is Resorts International. During 1983, the company plans to begin construction on Resorts II, a 1,000-room hotel with an 80,000-sq.-ft. casino as well as space for a trade show/convention hall. In addition, the company recently announced a significant agreement in conjunction with Bass Bros. Realty Company. The pioneering concept proposes construction of a new non-casino hotel which would break ground for construction in early 1984.

Hard hat activity was not limited to the Boardwalk. The nearby Marina area is under development as well. Hilton Hotels has planned a 2,000-room convention/resort hotel which will be built on a 14.7 acre site overlooking the Farley Marina. Phase I of the $270 million project is 634 rooms scheduled for completion during the summer 1985.

The Southeast area of the U.S. scored impressive gains in occupancies (up 12 percent over last year); the North Central area remains flat while the West and South Central areas are soft.

The Retail Market

Nationwide, department store management is viewing restaurants as potential profit makers rather than "necessary evils," and convenience store and supermarket chains see themselves as major competitors for the big guns of the fast food industry. In addition, specialized retail clusters and retail/entertainment complexes with a healthy mix of food and food-related outlets are being developed across the country as complete destinations in themselves.

Retailers appear convinced of the value—in terms of sales, customer draw, and image—of providing appealing foodservice to shoppers and in some cases off-the-street trade. According to Beatrice Cohen of the National Retail Merchants Association, return on investment has become a large factor in department store foodservice decision-making, in a move away from offering a restaurant just for convenience.

Retailers are learning to view restaurants as potential profit makers—not just necessities.

"Bloomingdale's insists that its restaurant operations be profitable," says Alan Reyburn, vice president for restaurant development of the 12-unit division of Federated Department Stores. "I see increasing room in the retail market for people to have the kind of meal they want at a pace and price that they want. They can have a three course meal with wine, or they can eat on the run." Bloomingdale's flagship store in mid-Manhattan boasts five public restaurants ranging from the full service Le Train Bleu to a "tasting bar" offering selections of specialty foods from the gourmet department.

Retail Market: Foodservice Sales

1981: $3,622,000,000 +7.9% Sales Growth | **1982: $3,790,000,000 +4.6% Sales Growth**

1987: $5,661,000,000 +8.4% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth Nominal	1982-1987 % Compound Annual Growth Real
Department Stores	1,110	427	6.7	1,146	437	3.2	1,613	7.1	1.8
Variety & General	537	201	6.1	544	202	1.3	789	7.7	2.4
Drug & Proprietary Stores	377	141	5.5	385	143	2.1	387	0.1	-4.8
Convenience Food Stores	580	191	14.4	649	214	11.9	1,297	14.8	9.2
*Other Specialized Retail Stores	1,018	360	7.5	1,066	376	4.7	1,575	8.1	2.8
TOTAL	3,622	1,320	7.9	3,790	1,372	4.6	5,661	8.4	3.0

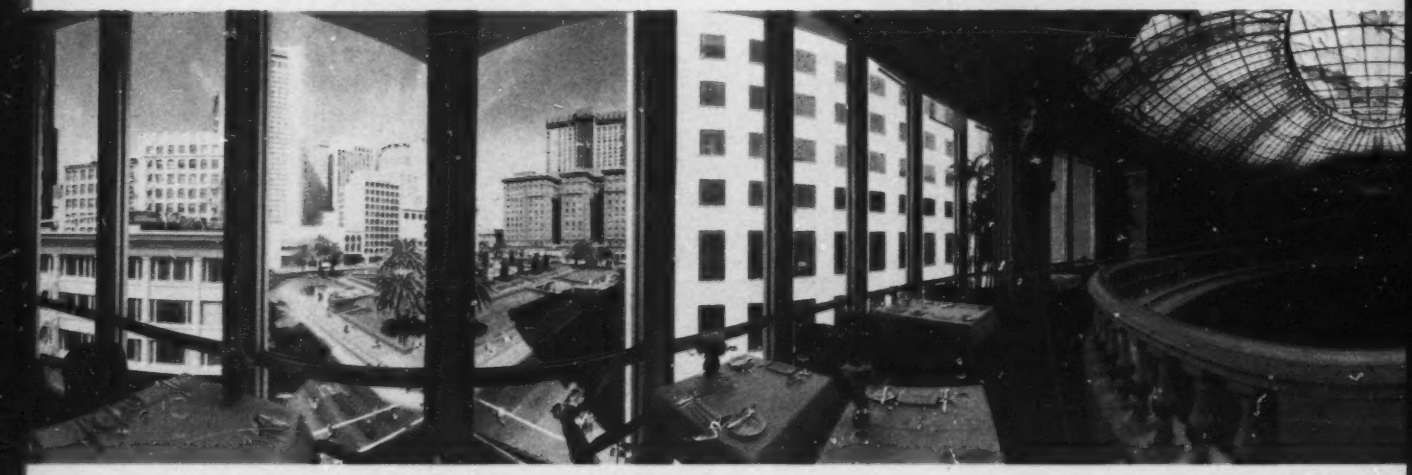
**Other specialized retail stores include: Food stores including grocery stores (excluding food convenience stores, gasoline service stations and miscellaneous retailers (liquor, cigar, etc.).*

According to John Mueller, corporate food director for Carter Hawley Hale Stores, the company—which includes the John Wanamaker, Thalhimer and Broadway divisions—"We are trying to get more directly involved in the restaurant business with a flexible, inventive approach to menus, to beer, wine and cocktail service, and to the possibilities of dinner service." All of the 105 restaurants in Carter Hawley's 100-store Department Store segment are open for dinner when the store is open, and 35 have off-the-street entry.

Sanger-Harris (another Federated division), disappointed by its restaurants' performance, in 1981 adopted a two-year "sink-or-swim" plan for foodservice, and hired Richard Gussoni as director of foodservice in an all-out effort to turn the segment around. Today, by Gussoni's estimates, the Charcuterie restaurant at the flagship downtown Dallas store accounts for almost 40 percent of total check transactions in the store.

Opened in December of 1982, the Dallas Charcuterie has been so successful that another unit—with an outside entrance and adjacent "rotisserie"—is planned for a suburban Sanger-Harris. The Charcuterie concept features lighter, trendy foods like salads (frequently

Clever catering ideas boost evening business at Neiman-Marcus's new Rotunda restaurant in San Francisco.



with fruit vinegar dressings) and pastas. About 10 percent of the Dallas unit's volume is in take-out. Off-premise catering is another new service offered by Sanger-Harris through the Dallas branch. Among other things, catering is promoted through the store's bridal registry.

Neiman-Marcus (the Specialty Stores segment of Carter Hawley Hale) also has used catering to its advantage at the Rotunda restaurant in its San Francisco store. Despite an express elevator linking the restaurant to a street entrance, Neiman-Marcus was unable to justify opening the restaurant to the public except on Thursday and Friday, when the store itself is open, explains Jim Patterson, assistant director of foodservice. Rather than close at night entirely, however, the company has been doing very well with private parties. Lunch at the Rotunda, a 178-seat full service establishment serving American regional cuisine, continues to boom, with average checks of $15. The facility currently generates about $175,000 in sales per month, adds Patterson.

Business at Neiman-Marcus' free-standing concept, the Red River Saloon in Fort Worth some six miles from the nearest Neiman-Marcus store, also continues to boom at lunch, but dinner has been a little soft, says Patterson. Various promotions, such as a happy hour, have been used to spur evening volumes. Plans to open additional Red River Saloons are on hold pending long-term results of the Fort Worth unit.

As for the convenience store subsegment, the trend appears to be a comparable increase in commitment to foodservice, usually referred to as the "fast food" product category (as opposed to bakery, meat/deli, groceries, dairy, and so on). In fact, this segment was the fastest growing portion surveyed for the retail market.

There is considerable confusion as to what is foodservice even among convenience stores themselves. Some count the whole deli department rather than the sandwiches, etc. Nonetheless, fast food is a very rapidly growing area for convenience stores.

It is noteworthy that many gasoline service stations have substantially increased the foodservice component and are classified gasoline stations because gasoline sales are still the predominant component in the sales mix.

According to *Convenience Store News'* Industry Report '83 (a panel study involving a group of 23 convenience store companies with a total of over 5,000 units), 94 percent of the panel served at least hot coffee in-store. Donuts and/or pastries were offered by 86 percent. In the lunch segment, cold sandwiches were offered by 80 percent of the panel stores, and hot sandwiches (primarily using microwaves) by 59 percent. Within the panel segment, fast food represented 2.2 percent of total sales and 2.6 percent of total profits.

Circle K, operating over 1,200 stores in 12 Western

Convenience stores are set to compete for fast food dollars.

states, has recently introduced a line of "super premium" sandwiches manufactured by the company under the "Deli Fresh" brand name. So far, the program has been introduced in about half of its stores, and will be available chainwide by year-end. According to Stephen E. Schwitalla, director of the fast foods program, during the first 15 weeks after the introduction of Deli Fresh into the Tucson market (108 stores), unit sales of sandwiches increased 45 percent and net dollar sales for sandwiches increased 87 percent.

In addition, the company has in the past 18 months added seating in a little over 100 of its units, and will be modifying the remainder of its stores at a rate of 200 units per year. Fast food sales in stores with seating have increased about 30 percent, adds Schwitalla.

7-Eleven, the largest convenience store chain with over 7,000 units, has introduced burritos and other Mexican-inspired items and has delis in many of its eastern units. According to Dennis Potts, new concept development manager for 7-Eleven, the deli concept is in a "significant" testing and expansion stage.

Foodservice also continues to be a growing market for the supermarket segment. According to *Progressive Grocer* magazine, in 1982 eight percent of supermarkets in the U.S. offered some kind of sit-down eating, compared to 1.9 percent in 1978. The Food Marketing Institute reports similar growth in the deli with carry-out, lunch counter/snack bar, and catering segments. Many supermarkets have ventured into the ready-to-eat, take-out foods business in particular.

However, cost of space and labor continue to cause some retailers problems. Schnuck Markets of St. Louis, which operated restaurants in half of its supermarkets in 1980, has closed several eateries and may not open any more in new markets, citing high labor costs.

Yet supermarkets—particularly chains—are well positioned to enter the foodservice business because they can promote fresh, healthy ingredients already on hand, and because management is already trained to deal with remote locations and complex operations. Important clues to success appear to be: management separate from that of the store; physically separating foodservice from the store; and simplified menu to keep costs down.

Joint venture and other cooperative arrangements are another way for retailers to deal with foodservice. Burger King's recent agreement with F.W. Woolworth to convert at least 50 of the retail chain's in-store foodservice units into BK outlets is a noteable example of sharing expertise. Woolworth will operate the new outlets as a franchise.

Specialized retail and mixed-use retail entertainment complexes are also growing on the retailing scene. The July opening of South Street Seaport in New York City represents another of the Maryland-based Rouse Co.'s mixed-use "marketplace" projects, along with Boston's Fanueil Hall Marketplace and Harborplace in Baltimore. Several restaurants and cafés and a variety of smaller food outlets—offering everything from seafood to sushi and empanadas—as well as a large market area selling fresh produce, fish and other foodstuffs, are intermingled with specialty stores, museum space, pedestrian malls and public terraces where cultural events and entertainment are a regular occurrence.

Another mixed-use center, the Sarasota Quay "high fashion" retail and executive office complex being developed on Florida's west coast by Transol U.S.A., is targeting about 35 to 40 percent of its 114,000 sq. ft. to food and food-related tenants. The Marketplace in the complex's South Pavilion will be almost exclusively food oriented, with full service dining and cafés, retail gourmet shops and kitchenware outlets. Sarasota Quay is scheduled to open in late 1984.

The Business/Industrial Market

Recent changes in the American workplace reflect far reaching shifts in the economy. And, as the position of manufacturing and heavy industry firms continues to weaken, the impact is felt by operators in the business and industry segment. High unemployment, plant closings and consolidations in industries like automotive manufacturing, farm equipment and steel have forced these operators to redirect themselves toward other more viable markets.

Many analysts contend that the United States' heavy industry sector will probably never return to the robust state of the past. Rather, trends reflect a shift toward white collar, office-bound jobs dominating the future employment market. Telecommunications and other high technology industries, for example, are developing an important position in the economy, as computer technology becomes a more important part of the American lifestyle.

Foodservice supplied internally in plants and offices showed negative growth in 1982, down 2.4 percent from 1981. This follows an 8.2 percent growth for the sector in 1981. Most industry analysts attribute the decline of internally catered meals to layoffs among many large corporations.

As the American worker changes, foodservice companies are compelled to change as well. Total sales figures from last year show that contract feeding in plants experienced an overall decline (1.8 percent) while feeding in business offices showed the largest percentage gain (5.9 percent) in the segment. While sales declined 1.5 percent in 1982, compound annual real growth is estimated at 1.7 percent.

Most business and industry caterers have, in the last few years, added white collar, professional companies to their client lists; many others, in addition to targeting that market, have moved into completely new areas—health care, leisure and education.

"Our client mix has been traditionally dominated by the manufacturing industries," says Richard M. Stein, president of Interstate United Corp's B&I group. "However, in recent years that has changed drastically."

Interstate United, with operations in 44 states, is among several companies that have chosen to enter new areas of foodservice, rather than aggressively expand business and industry operations. Five years ago, business and industry clients accounted for 75 percent of Interstate United's total business mix. Since then, however, the Chicago-based firm has concentrated heavily on other areas of foodservice, thereby reducing business and industry's contribution to about 60 percent today.

"This activity is likely to persist for some time," says Stein, who predicts that Interstate United's business and industry division will represent half the company's total accounts by 1984. "We're not getting out of this area by any means. But we'll continue engaging clients in insurance companies, banks, high technology industries and the like.

"True, these industries don't have the numbers of employees that heavy manufacturing industries have traditionally had, making for less volume," adds Stein. "But, then, heavy industry doesn't have the numbers it used to have either."

To protect itself from adverse effects of the recession, Servomation Corp. also has entered new markets. The Stamford, Connecticut-based firm began as a vending operation and remains substantially dependent on industrial plant operations today. But since 1980 the company has moved quickly into health care and educational feeding.

"Not surprisingly, our Midwestern plants have been hard hit by the recession," says Carr Newcomer, executive vice president of Servomation. Lately, he notes, activity among those cafeterias has shown some improvement, resulting

Pessimistic about the future of heavy industry, B&I contract caterers are turning to other client groups.

A sleek, high-tech look captures the white collar employees at Chemical Bank offices at 52 Broadway in New York City.

from a slight pickup in the economy and automobile sales.

But, says Newcomer, "It's hard to imagine that all the cutbacks, layoffs and consolidations of plants will reverse significantly. Though we are hopeful for some sort of continued recovery, we aren't expecting sweeping change. Just as everyone in the automotive industry needs to protect themselves as best they can, we're concentrating our efforts on health care and education as alternate strategies."

East Boston-based Ogden Food Service Corp. spokesman Gail.Caruso says that Ogden, too, is following this trend. Caruso explains that the company is not "actively pursuing" business and industry accounts at present.

"We don't foresee reversing this strategy in the near future," says Caruso. "With longer-term contracts available in sports and recreation accounts, we feel this area is a more viable one to follow than is the business and industry sector."

Ogden is, however, pursuing the white collar market, primarily in the Washington, D.C., area. The company recently signed a five-year contract with Amtrak, in Washington, to provide employee foodservice at its headquarters. A major bank and a high technology company in the area are also new accounts. In addition, Ogden last year accelerated its remote foodservice ac-

tivities in the Gulf of Mexico, aboard offshore oil and gas facilities. The gains in the offshore market resulted in its acquisition of Offshore Food Services, Inc.

In response to stiff competition, many foodservice operators are updating menus and revamping decor packages. In fact, today more than ever before, this segment of the foodservice industry is mirroring the tastes and lifestyles of the American consumer in its facilities. Although at one time employee cafeterias appeared separate from the foodservice industry at large, today's facilities and menus more closely resemble their commercial counterparts.

This is an operational necessity since cafeterias are in direct competition with commercial eating places, particularly fast food restaurants, which the younger, white collar workers have grown up with and have become accustomed to.

Deanna Hormel, foodservice director of Hallmark Cards in Kansas City, says that the company showed a six percent increase in food sales last year. "A lot of that had to do with our implementing a food-by-the-ounce program," says Hormel. "When we first began the program, I projected 250 would use the by-the-ounce program per day. We've been pleasantly surprised to find that about 650 of our employees make use of the program daily."

Greyhound Food Management's Eatin's Easy program is a combination fast food concept and employee cafeteria that can be applied to either a white collar or blue collar operation. It is described by the company as "a fast food alternative to the traditional cafeteria."

The Eatin's Easy concept includes fast items, such as hamburgers, french fries, onion rings, steak sandwiches and thick shakes. But it also offers a hot entree each day. Although the concept does not feature a salad bar, pre-prepared salads are available to accommodate the health and diet conscious.

"The program is designed to attract just about everyone," says Beth Meyer, a company spokesman. "If an employee would otherwise eat at a McDonald's or Burger King, Eatin's Easy is the perfect answer to keeping him on the premises."

Greyhound now operates 10 Eatin's Easy facilities, mostly in large plants, educational and white collar facilities. In fact, a loose figure of 1,500 people is generally used as an acceptable population to support the con-

Business and Industry: Foodservice Sales

1981: $7,961,000,000 + 8.2% Sales Growth | 1982: $7,843,000,000 – 1.5% Sales Loss

1987: $10,961,000,000 +6.9% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth: Nominal	1982-1987 % Compound Annual Growth: Real
Contract Feeding in Plants *(Cafeterias Primarily)*	2,300	1,060	8.4	2,259	1,041	-1.8	3,179	7.1	1.8
Contract Feeding in Business Offices	669	308	10.8	708	326	5.9	1,046	8.1	2.8
Internal Feeding— Plants & Business	1,490	722	8.2	1,454	704	-2.4	1,843	4.8	-0.3
Waterborne Employees	272	163	5.4	278	166	2.2	368	5.8	1.6
Mobile On-street Catering	496	168	6.2	498	167	0.4	728	7.9	2.6
Food Vending Machines *(excluding packaged soft drinks and candy)*	2,734	900	8.2	2,646	865	-3.2	3,797	7.5	2.2
U.S. Defense Personnel	N/A	1,740	N/A	N/A	1,784	N/A	***	***	***
Food Furnished Foodservice Employees	N/A	3,514	N/A	N/A	3,623	N/A	***	***	***
TOTAL	7,961	8,575	8.2	7,843	8,676	-1.5	10,961	6.9	1.7

****There is not sufficient data to develop individual projections for these sub-market segments.*

cept. Greyhound's General Motors facility utilizes the Eatin's Easy concept and has reported substantial success since the concept was introduced, says Meyer.

According to figures compiled by Greyhound, an Eatin's Easy unit can be built for half the cost of a traditional cafeteria. For example, a cafeteria for 2,000 employees might cost $1.3 million to build, while the same size Eatin's Easy costs $500,000. Further, according to Greyhound, food costs for the concept run about 33 percent, compared to a 44 percent food cost at a cafeteria—savings that interest most providers of foodservice today.

Most B&I caterers now have white collar companies on their client lists, requiring menu adjustments to lighter meals to meet demands for healthy foods.

The majority of operators have also reacted to overall trends toward lighter menu items, and many have begun providing customers with nutritional information for meals. Buffalo, N.Y.-based Service Systems implemented its TRIM program in March, and now 70 percent of its B&I clients are enrolled in "The Right Image of Me" program. The choose-your-own-meal TRIM program utilizes an eight-minute film to increase employee's knowledge of nutrition. The film, narrated by NBC sportscaster John Brodie, focuses on the basics of nutrition, exercise and weight control, and promotes the type of light food items offered under the TRIM program. According to Service Systems president Joseph P. Simon, the film is repeated on occasion to keep the momentum going among employees.

Service Systems has a total of 1,300 clients, 60 to 65 percent of which are in the business and industry sector. "We've been in the white collar market all along," says Simon. "And I think that the notion of the segment moving toward fast food to accommodate that market is a misconception. We've always had the grills necessary to provide fast food-type items. What we're moving toward is more self-service and multi-station operations. Today's consumers are both diet conscious and not so concerned with diet. We, as an industry, have to be all things to all people."

Consumers today are also cost conscious, says Simon, and Service Systems addresses this with an innovative pricing method. Flex Pricing is a cost containment program designed to adjust menu prices moderately, so that employees will hardly notice an increase in their checks. Rather than significantly raising a menu price every six months or so, Service Systems frequently imposes penny increases. "When coffee went up a few years ago, we experienced resistance for about six months," says Simon. "We've eliminated any possibility of that with penny price increases. That's good for us and good for the employers."

One of the significant trends that Simon and other executives have noticed in the segment, is a move away from executive dining facilities. "Most of our new accounts do not separate employees and executives," he says. "This goes particularly for the growing high technology industries, where management is very concerned with employee morale. They find it of great benefit to maintain a sense of unity throughout all levels of their work force."

At Chemical Bank's "52" dining facility, officers and clerical workers alike rub elbows in the sleek, high-tech unit. Here, employees choose from three entrees, soup, salads, grilled items, a "daily deli" and desserts. Many financial institutions, however, still prefer having executive dining facilities. In some cases, these take the form of exclusive private clubs, where foodservice is highly upscale and decor packages beautifully detailed for an impressive fine dining experience.

Many B&I foodservice companies are expanding operations to include public feeding. Positioning themselves in both inner city and suburban office buildings and office parks, operators view this recent development as a way to generate higher sales than cafeterias designed to serve one client's employees.

Sometimes these foodservice facilities are connected to a particular client, though even more frequently contract caterers will simply lease space on-premise to serve the entire building. Pricing is usually designed to be competitive with either surrounding restaurants in an inner city, or those of other employee cafeterias.

Canteen Corp's Gulliver's concept is just such a facility. Canteen, which has serviced the industrial market for many years, is shifting its operations slowly to office building locations, marking its move to service the growing white collar market.

"We're moving more and more toward the public sector, but we're still attaching ourselves to office structures where there are large numbers of people," says Tony Angel, national coordinator of Gulliver's. "The facility doesn't lend itself well to the meat and potatoes crowd, but then there aren't too many of those people in offices." Gulliver's is a quick service deli concept, serving sandwiches, salads, and snack items.

For contract foodservice companies, office building operations are still in the initial stages of being developed. But many industry executives say that it is a segment which deserves further consideration. The Macke Co. began its Macke Mart concept in the Washington, D.C., and Baltimore areas about a dozen years ago, since the deli concept lent itself so well to the preponderance of government employees and professionals in the area. ARA Services also entered into the arena with The Greenhouse.

But the notion of expanding customer base, combined with the intensified need to provide foodservice among professional organizations, is likely to add some steam to further movement among B&I caterers in this area.

The Leisure Market

The leisure market encompasses operations as varied as Lincoln Center and Shea Stadium, Wolftrap Center for the Performing Arts and Belmont Racetrack. Ski resorts are included in the segment; so are amusement parks and museums. Yet despite the diversity, certain trends in the industry are apparent.

According to many sources, at least two major trends are occurring. Foodservice operators are attempting to segment the market within individual leisure facilities—the consumer sees choices and the operator can appeal to a wider cross section of the population. A second, related trend is a general upscaling within the leisure market as consumers demand more services and a better overall experience.

A healthier economy has led to generally improved attendance and per capita spending in most subsegments of the leisure market, but the 1982 football strike has marred growth in the theme park, arena, stadium and track subsegment, just as the 1981 baseball strike affected performance in that year and poor spring weather in most parts of the country this year will affect 1983 results (see accompanying chart).

According to Jim Lawler, vice president of marketing for Restaurant Associates (RA)—which operates foodservice facilities at Lincoln Center in New York and the Kennedy Center in Washington, D.C.; at several museums; and at other attractions such as Sturbridge Village in Massachusetts and Longwood Gardens botanical garden in Kennet Square, Pennsylvania—the company "is in the midst of a very definite new trend towards increased sophistication in market segmentation." Last September RA added an à la carte restaurant to existing self-service facilities at the Metropolitan Museum of Art in New York. Serving luncheon and tea daily and supper on Tuesday evenings, the new restaurant boasts an average check of $11.50 for food and $2.50 for liquor. Similarly, Longwood Gardens, with "no foodservice except for five water fountains" prior to RA's contract, has installed the $2.3 million Terrace restaurant, with a 300-seat scatter system self-service area (average check: $4.50 to $5), and a 100-seat table service area ($8 to $10). "The concept at work in our facilities," says Lawler, "is to leave fast food for the families and tour groups and offer full service for older and more affluent visitors. We're also experimenting with special children's menus in the full service establishments to attract affluent family groups."

A trend toward upscaling foodservice at leisure facilities helps operators to reach a wide cross section of the population.

The same concept is seen at several theme parks, where variety is literally the spice of life. At Taft Broadcasting Co.'s King's Island park in Cincinnati, almost every type of ethnic food is available, according to Bill Bell, director of foodservice for King's Island, and facilities range from fast food stands to the full-service International Restaurant. Per capita food and beverage spending, for an average stay of seven hours during the peak summer season is $5.40.

Bally Manufacturing's new park in Hollywood, Florida—called Six Flags Atlantis, The Water Kingdom—is illustrative of a new trend towards water theme parks. Currently, the park has eight food locations (each offering a different type of food) plus a number of portable pushcarts. The Mexican outlet serves wine and beer as well as a variety of specialty frozen drinks, a practice which is somewhat extraordinary for theme parks. According to Melinda Ashcraft, director of retail operations for the park, foodservice generates more than half of the park's total revenues. And, as at most theme parks, group sales are very important and a separate pavilion has been erected just for on-premise group catering.

Bally, which acquired the six-park Six Flags Corp. from Penn Central in January, 1982, will also operate the $25.9 million Six Flags Power Plant in Baltimore's Inner Harbor. The turn-of-the-century themed attraction, scheduled to open in spring of 1985, will feature the Crystal Pavilion white tablecloth restaurant.

Also new on the destination theme park scene is Epcot Center at Walt Disney World. Opened in October, 1982, the 260-acre park boasts 18 large foodservice facilities including Les Chefs de France (run by three-star chefs Paul Bocuse, Roger Vergé and Gaston Lenotre), L'Originale Alfredo Roma Ristorante (patterned after Rome's restaurant of that name) and a multi-unit complex in the Japanese pavilion featuring a variety of traditional Japanese food. Epcot is expected to generate at least $50 million in foodservice revenues in fiscal 1983.

The Louisiana World Exposition will open in New Orleans in May, 1984, with 96 separate food and beverage locations operated by individual concessionaires and a number of other facilities operated by international participants. According to Victor Trapani, marketing supervisor, food and beverage concessions, the six-month exposition is expected to host 11 million visitors who will spend an estimated $70,000,000 on food and beverage. Foodservice locations, ranging in size from 240 sq. ft. to over 13,000 sq. ft., will mix New Orleans and Southern styles of cooking, as well as national and international cuisine.

Pricing will be geared towards a family, theme park-type market, but, stresses Trapani, "We see a lot of dollars going to the large full-service restaurants. We don't want a hamburger heaven here, even though there will be plenty of fast food." Accordingly, fast food operations will offer po' boys, soul food, barbecue, Indian and Mexican food as well as additional specialties other than the standard selections.

Exposition management is also making plans to cordon off several of the high-end eating and drinking establishments—including Reunion Hall, a restaurant with entertainment to be operated by a noted local musician—so that those facilities can remain open to the general public after hours of the fair.

Just as the Louisiana Exposition is expected to stimulate health and growth of restaurants, hotels and other businesses in the surrounding community, the 1982 World's Fair in Knoxville spurred record visitor volumes throughout the state of Tennessee. Opryland U.S.A. in Nashville had its highest attendance in 11 years, for example, says Tom Adkinson, manager of public relations for the attraction, which includes Opryland theme park and the Grand Ole Opry. This year's volume compares favorably with the years preceding 1982. Opryland U.S.A. boasts more than 60 foodservice outlets parkwide.

Another event on the horizon is the 1984 Olympics being held in Los Angeles, for which ARA Services has been awarded the contract for public concessions management, as well as for management of food services for

Ogden's increased diversity reaches a spectrum of recreational areas, including baseball stadiums.

Inexpensive fast food outlets are still a favorite at sports arenas.

the athletes. According to John Dee, president of ARA's Leisure Services Group, ARA will oversee a number of other operators, including Interstate United, Ogden and Servomation, on behalf of the Olympics Committee, and has the master concession for the main exhibition park. ARA expects to host upwards of 100,000 visitors a day. The exhibition park will feature at least one large sit-down restaurant, adds Dee. ARA has established a special entity for its Olympic projects; the company also has been awarded contracts for the 1984 Winter Olympics to be held in Yugoslavia and the Pan American games in Caracas, Venezuela.

Operators of sports facilities agree that the customer is very value conscious. "We are trying to hold the line on prices for the consumer, while offering a better product in terms of menu diversification and standards and in terms of more complete employee training," says Vince J. Pantuso, president of the Volume Services Division of Interstate United. Pantuso adds that operators in the sports and recreation market are being pressured by a greater amount of competition, both from existing bidders in the leisure market and from companies attempting to broaden their traditional bases in the atwork market, which is being compressed by plant idlings and other symptoms of the economy. (See Business and Industry Market, page 100.)

This increased competition adds to the uncertain nature of doing business in the sports and recreation market. Because most accounts in the leisure market are on a profit and loss—rather than management fee—basis, operators and concessionaires are in for a real gamble when they take on a contract for a stadium or other sports facility where they are up against both the weather and the popularity and success of a team. With average contract durations of up to 15 years, the odds can be formidable, and there is nothing that an operator can do about a team on a losing streak. And at racetracks, attendance is generally down, attributable to the economy, to the rise of off-track betting and to proliferation of racing dates.

Whereas foodservice in stadia and arenas is largely of the fast food variety, full-service restaurants are practically essential at pari-mutuel betting facilities. ARA's John Dee attributes this at least in part to the fact that the average race track attendant is a repeat visitor who is very savvy at numbers and who demands quality. He also spends a lot more than the average football or baseball enthusiast. At Belmont (an ARA account), 12 percent of total per capita spending—including wagering—takes place at the Belmont Terrace restaurant, where the average check is a healthy $25.

Most large foodservice management companies in the leisure segment tend to spread their interests throughout the market. Among Ogden Corp.'s sports and recreation accounts, for instance, are the U.S.S. Intrepid sea, air and space museum in New York City; Wolftrap Center for the Performing Arts in Vienna, Virginia; The Forum sports and entertainment complex in Inglewood, California; the San Jose (California) Convention Center; Suffolk Downs racetrack in East Boston; and the Holiday Valley Ski Area in New York State.

Leisure Market: Foodservice Sales

1981: $2,618,000,000 +6.3% Sales Growth | 1982: $2,806,000,000 +7.2% Sales Growth

1987: $4,290,000,000 +8.9% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth: Nominal	1982-1987 % Compound Annual Growth: Real
Theme Parks, Arenas, Stadiums, and Tracks	1,768	635	5.2	1,904	676	7.7	***	***	***
Drive-In Movie Theaters	187	61	12.1	204	66	9.2	***	***	***
Bowling Lanes	547	202	9.2	580	212	6.1	***	***	***
Summer Camps & Hunting Facilities	116	69	1.4	118	71	2.0	***	***	***
TOTAL	2,618	967	6.3	2,806	1,025	7.2	4,290	8.9	3.5

****There is not sufficient data to develop individual projections for these sub-market segments.*

The Health Care Market

New federal regulations regarding health care costs may pose serious budget threats to this industry next year and beyond. The particulars of the new regulations won't be released until next month, though, so administrators are anxiously awaiting specific details. Meanwhile foodservice operators are aggressively researching cost control, marketing, and expansion techniques in order to help compensate for potential cuts in other departments.

The first regulation deals with price limits to customers, the second with reimbursements to hospitals. Since 1974, the federal government has set limits on what hospitals can charge for room and board. A new law enacted in October 1982, called TEFRA (Tax Equity and Fiscal Responsibility Act), expands that authority to include all costs—including general routine services, special care, and ancillary services, according to Paul Olenick, chief of the Hospital Cost Containment section of the Health Care Financing Administration of the U.S. Department of Health and Human Services. Another aspect of the complex TEFRA legislation sets limits on rates at which hospitals can raise prices from year to year.

On the heels of TEFRA comes the Prospective Reimbursement System (PRS), which goes into effect October 1, 1983, and supplements the former law in setting guidelines for cost consistency among hospitals nationwide. PRS eliminates reimbursement rules used since 1964 and replaces them with established reimbursement prices for Medicare patients for each diagnosis regardless of the cost to the hospital, Olenick explains. The new limits will be applied on a cost per discharge rather than a cost per diem basis. A benefit of this prospective payment plan, Health Care Financing spokesman Anita Heygster points out, is that hospitals will know ahead of time how much money they will receive back from Medicare.

Nursing homes and retirement complexes are prime growth targets for health care caterers.

Since a number of hospitals will likely be reimbursed less than before for many services, they are looking for other places to save money and generate extra revenue. Foodservice costs can't be cut significantly because—with the help of computers and advanced management techniques—hospital kitchens have cut costs there already.

To help the hospitals further, they have begun marketing their patient and employee services internally and externally. The purpose of marketing internally is to generate excitement for both patients and employees. Satisfied employees will spend more dollars in the hospital cafeteria; patients satisfied with services including foodservice will return to the same hospital when given the choice. Marketing externally generates community awareness, which in turn makes potential patients feel familiar with the hospital, so they will choose it when they have the choice.

Close cost control and increased services are maintained at Custom Management's health care facilities.

Many hospital foodservice operators mention similar developments as Dennis Taibl, director of dietetics for Raritan Hospital in New Jersey, who says, "Our whole focus has changed to marketing, public relations, selling our services. We advertise in newspapers and have a spot on cable TV. Many hospital dieticians make guest appearances on talk shows about nutrition, or offer their services to their communities."

Upgraded foodservice facilities

are being used in a number of hospitals to increase foodservice sales among visitors and employees alike.

"Hospitals can no longer operate as a social entity, strictly for the good of the people regardless of the cost. They must work as a business entity more than ever before," says Saga Corp.'s Tony Alibrio, vice president of marketing and sales/health care division. "Part of our effort in that direction is that we are heavily involved in attempting to market internally in the hospitals we serve. When the employees are excited about the foodservice, that carries over to the patients, who know they are eating the same food." Examples of Saga's internal marketing include monthly theme events in the cafeterias, improved signage, point of sale merchandising, decor renovations, salad bars, fast food lines, and weight watcher specials.

Custom Management, with 315 health care accounts, aims to increase cafeteria sales by offering less expensive menu items, and adding facilities such as convenience stores and possibly deli concepts. "We're looking for other resources, maybe more meals on wheels programs, or using our existing facilities for other additional purposes," says president John Metz.

The Swedish Medical Center in Englewood, Colorado, aims to increase employee foodservice sales with a new tableservice restaurant geared for the employee with enough extra spending money to forego the cafeteria for an upgraded meal. Average check at the "light menu" restaurant is $4.78, as opposed to the subsidized $1.80 in the cafeteria.

Contract caterers are expressing optimism about TEFRA and PRS because they hope more internally operated health care kitchens will turn to them for cost control expertise, but most still seek many new options. Partial services contracts seem to be the way of the future for some. "We're looking at diversification through consulting and purchasing, not just contract catering," says Custom Management's Metz.

Marriott Corp., another large contract caterer, sees "all kinds of opportunities to provide support services," admits Ian Ferguson, vice president of the health care foodservice division. "Opportunities seem to be in providing support services, such as consulting," he says.

A targeted growth spot for most companies, they say, is nursing homes and retirement complexes. "As the population gets older, and more children are working and consequently not staying home with sickly parents, and hospitals are keeping patients shorter periods of time, the nursing homes are fuller," says Maurice Latimer, a foodservice consultant for two nursing homes in Flint, Michigan.

A primary focus, especially for larger chains, is toward the growing number of retirement complexes. For example, Marriott, ARA, Saga, Custom Management, and Canteen are all aggressively researching this new market, where there is a captive audience of educated consumers. "We're moving into four major retirement complexes presently," says Dave Witten, national director of health care services for Canteen Corp. "Most feature upgraded menus in tableservice restaurants, only some customers have dietary restrictions, so it's a new kind of 'health care' feeding."

"As the number of senior citizens increases, we see more societal pressure to do something, and the retirement center industry will help meet the demand," says Tom Sawicki, president of ARA's living centers division. "We plan to be prepared to grow with the industry."

Health Care Market: Foodservice Sales

1981: $10,634,000,000 +7.2% Sales Growth | 1982: $11,339,000,000 +6.6% Sales Growth

1987: $15,402,000,000 +6.3% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth: Nominal	1982-1987 % Compound Annual Growth: Real
Hospital—Internal	7,183	3,240	7.8	7,657	3,454	6.6	10,203	5.9	1.2
Hospital/Nursing Home—Contract	902	361	8.4	980	392	8.6	1,418	7.7	2.9
Other Institutions—Internal *(For specialized care including nursing and old age homes, orphanages, etc.)*	2,549	1,612	5.5	2,702	1,708	6.0	3,781	7.0	2.2
TOTAL	10,634	5,213	7.2	11,339	5,554	6.6	15,402	6.3	1.6

The Student Market

Faced with the hard fact that the post-secondary school population is on the verge of a dramatic decline, colleges and universities are gearing up their foodservice operations to use them as marketing tools. Schools are upgrading decor, diversifying menus, and paying more attention to nutrition, hoping to attract new market segments (off-campus and part-time students) and retain present (on-campus) customers for longer periods.

The elementary/secondary school market, meanwhile, is battling the handicap of decreased government subsidies. While drastically cutting costs, operators in this sub-market segment are also creating new ways to teach children proper nutrition.

According to the National Center for Educational Statistics, post-secondary student enrollment, estimated at 12.4 million for 1982, will fall to 12.1 million by 1986 and then hold steady for at least five years. Increasingly fewer of those students will attend classes full-time, according to study estimates.

"It appears like more students are returning to the campuses to earn higher degrees because the job market is so tight, so enrollment in many colleges is up temporarily," comments Steve Bowers, president of the National Association of College and University Foodservices (NACUFS) and director of food services at the University of Iowa. "The industry has a feeling of cautious optimism, but we are aware of a decrease in students we'll have to face soon."

According to Bud Rusitzky, president of Serv-Rite, a contract caterer in Rochester, N.Y., the declining full-time student enrollment may not affect the number of students living on campus—or therefore the board plans—for many years. "The tendency to want to live on campus remains strong, and there is not enough room on campuses to service the demand presently, so it is possible that the number of students living on campus—and therefore eating there—will remain steady," he says.

Many college foodservice operations are trying to increase their off-campus student customer base, and are devising a range of creative tactics to capture the previously overlooked population. Most are diversifying menu items and offering partial board plans to the commuting students. Says Richard Battista of The Freshie Co., Philadelphia, Pa.: "We know to keep costs down and revenues up we must increase volume. In the past year, we've initiated several mailings to students and parents, pointing out how board plan meals are the best meal in town. We hope the marketing will bring more students to live on campus. Board plans such as five lunches a week bring in the off-campus student who would have had to leave campus or brown bag lunch as his other option."

Colleges are marketing their foodservice to compete for the declining number of students.

An independent college foodservice operator, Donald M. Jacobs of the University of Pennsylvania, implemented a variety of tactics to attract the graduate market, which he says is growing. He explains: "Using a computer and market surveys, we picked out the graduate market as one we wanted and then went after it. We met with deans of graduate schools to understand the market better, and then sent letters to potential students. The letters push the convenience and the sociability of eating meals on campus. Realizing that graduate students have more sophisticated tastes than undergrads, we included upgraded menu items in their cafeterias."

In spite of any marketing efforts to get or keep students, the obvious challenge for every operator is to keep the student interested in the food. The student population is getting older and more women are attending colleges, so menus more than ever before need to reach the diversity and quality of restaurant meals. Changing menu items, point system board plans, and theme promotions are all growing trends aimed at meeting a more sophisticated market and breaking up the monotony.

In terms of menu items, student interest has turned in two opposing directions: they opt for fast food items such as burgers and fries, or for salads and light foods.

Many college foodservice operations are trying to

keep student dollars on campus by offering their own forms of the fast food menus. Barbara Perkins, foodservice manager of the University of Kansas Medical Center medical school cafeteria, says she has completely changed her cafeteria service from standard fare only to fast food, including char-broiled items and deli sandwiches. "I have to compete with the fast food chain units that are popping up right near campus," she says.

But growing faster than the fast food trend is the salad bar and light foods menu, sprouting up at campuses around the nation. Saga Corp., for example, now offers to its 350 school accounts a "healthy foods bar" called Nature's Nest. "Nature's Nest is an expanded salad bar, offering in addition to standard salad bar items, things like yogurt, whole wheat muffins and breads," explains director of marketing Shelley Casey.

"We've been forced to offer increased variety, and our food costs have not been affected," adds foodservice director Ted Smith of Michigan State. "In the past we'd offer baked spaghetti and another entree for dinner, and students were satisfied. Now we offer the spaghetti, a fruit plate, salad bar, and three other items."

Variety means more than salads and burgers—finger foods and other "trendy" menu items are available at more schools yearly. A prime representation of this trend is the "Hilltop Market" being developed by seven-account Pilot Services at the University of Akron. "We're turning their facility into a giant indoor market," says Jim Hardy, vice president. Shops and vendors will serve items such as croissants and baked goods, health foods, sweets, coffees, and stick foods.

Many colleges and universities are supplementing foodservice with nutritional education. They are posting caloric and nutritional contents next to all foods they sell, and many offer the services of a dietician for individual student consultations or lectures. Canteen Corp., for example, is initiating this fall a program called "Health Fair." Dieticians are available to students, and posters and table tents educate them.

Problems facing the elementary/secondary school foodservice industry are grave this year, predominantly because government subsidy eligibility—on which many schools depend—has become more stringent.

Enrollment has been declining in the schools since its peak in 1971, but after 1984 it will pick up slowly at least through the year 1990.

Schools meanwhile are implementing a variety of creative techniques to cut costs. Shirley Watkins of the Memphis City Schools system in Tennessee was awarded a Silver Plate Award from the International Foodservice Manufacturers Assn. (IFMA) for her "cluster management" and "offer vs. serve" programs. Under the cluster management system, three schools have only one manager. In addition, each cafeteria's assistant manager acts also as head cook. "Offer vs. serve" incorporates the student's preference for choice, which decreases waste. Students choose three of five components for their daily meals.

Regardless of their efforts to cut costs, the elementary/secondary school foodservice directors are still pushing nutrition education. Many organizations have programs similar to that of Service Systems. Service Systems has instituted a program called The Body Shop, where foods are color coded for the four basic food groups. The body is likened to an automobile, and educational aids carry on the theme.

Student Market: Foodservice Sales

1981: $6,828,000,000 +7.0% Sales Growth | 1982: $7,347,000,000 +7.6% Sales Growth

1987: $8,279,000,000 +2.4% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth: Nominal	1982-1987 % Compound Annual Growth: Real
School—Internal *(public, parochial, elementary & secondary)*	2,364	3,018	2.2	2,541	2,864	7.5	2,429	-0.9	-5.3
School—Contract	657	302	4.5	714	293	8.7	790	2.0	-2.5
Colleges, Universities—Internal	2,536	1,213	10.3	2,718	1,240	7.2	3,310	4.0	-0.6
Colleges, Univesities—Contract	1,271	436	11.5	1,374	450	8.1	1,750	5.0	0.3
TOTAL	6,828	4,969	7.0	7,347	4,847	7.6	8,279	2.4	-2.1

*Actual cash receipts from children plus parochial and other private schools.

**Not including $975 million worth of commodities and milk —a -8.3% decrease from 1980.

The Transportation Market

In 1982, Americans spent nearly $200 billion on away-from-home travel covering almost 1.4 trillion passenger miles on the nation's highways, in the air and by rail.

Impressive figures from the U.S. Travel Data Center in Washington. But the fact is, away-from-home travel (in per person trips) last year dropped seven percent from 1981—a bad year for the travel industry.

Most operators in this segment reported flat or declining profits for the year, even though overall sales for transportation's foodservice segment grew 8.4 percent.

1982 was a year of cutbacks, particularly among the nation's air carriers. Though some airlines actually increased foodservice budgets—as a marketing tool to combat fierce competition—many more air carriers chipped away at those budgets to reflect the lower fares they were forced to offer because of deregulation.

It was the year that Braniff International went bankrupt, causing Marriott Corp., the largest in-flight caterer, to lose $20 million in annual sales—seven percent of Marriott's domestic airline catering sales. 1982 was also the year Amtrak brought back stainless steel tableware, and fast food made its way to America's toll roads.

Patience and fortitude are handy if you're an airline caterer. Since deregulation, the airline industry has more resembled the cruising speed and style of a roller coaster than an aircraft. Fares in the past two years have dropped to levels most would have considered unimaginable; but service often needed to be cut as a result. Short flights that normally provided snacks frequently dropped that service; full meal packages required cost analyses so that food costs could be lowered.

Most of the major carriers, however, are enjoying traffic increases this year, and industry analysts contend that that will continue through the rest of the year. Vacation travel has shown a particularly encouraging upswing following the decline in 1982. And in-flight caterers have hopes for a good year.

"I think that 1983 is going to continue on a good track. It won't be a bonanza year, but it should be better than 1982," says Bill Bailey, vice president operations for Marriott's in-flight division. "Our clients are beginning to reintroduce some foodservice, like snacks. And there appears to be more of a concentration on upgrading first class service." He predicts that fares will slowly become more stable, and that first class fares will come closer to previous levels, about 50 percent above coach.

The business traveler has been receiving some attention. In June, Midway Airlines began a new business class service between New York and Chicago, the Metrolink. The carrier, which specializes in low fares to 14 major cities, drastically altered its foodservice in order to better attract the business traveler. Midway stresses light meals and snacks, including croissants and fresh fruit for breakfast, cold sesame chicken for supper, and complimentary beer and wine—while maintaining low fares.

Among several continuing positive trends for large in-flight caterers has been a steady move by airlines toward the major hub concept. Concentrating on connecting

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Marriott sees airlines reintroducing snacks and upgrading first class meals.

their flights in major cities means that carriers can keep passengers aboard their aircraft rather than lose them to other carriers. For caterers who place themselves at major hubs, this means more business.

"I think that the major hub concept will accelerate even further through 1984," says John Tippets, vice president marketing, airline catering for Arlington, Texas-based Sky Chefs. "We've been very well placed in hub cities, where a great many meals are processed. Though traffic was down last year our position should help us when a recovery comes."

Airline terminal foodservice is moving in the direction of buffeterias and quick snack-type items, as most travelers today are budget conscious and often in a hurry. The need for table service in airports has almost disappeared.

"We've made some large capital improvements in many of our terminals, switching from full service facilities to quick-snack," says William J. Kelly, CEO, Air Terminal Services, Inc., Buffalo, N.Y. ATS, like most terminal caterers, has been using kiosk-type units to attract the traveler in a hurry.

On the rails, Amtrak last year began using foodservice as a way of attracting customers who, Amtrak officials say, had become disillusioned with the nation's largest passenger railroad since it was forced to downgrade foodservice by order of Congress two years ago as a way to reduce its $60 million deficit.

With a new president in 1982, Amtrak introduced free continental breakfast and free afternoon hors d'oeuvres, along with improved foodservice aboard its New England Metroliner. Amtrak, by adding these services, is trying to recapture some of the business traveler market it had lost in recent years to low air fares.

A great deal of changes are taking place on the nation's toll roads. Gasoline prices have shown some decline, spurring more driving, and toll road operators are upgrading facilities to better attract the additional traffic. Howard Johnson has signed an agreement with Burger King for exclusive rights along U.S. turnpikes. The company will both convert existing facilities and open new units, according to John Delahunt Jr., group vice president turnpike and vending. Delahunt says that five BKs should be open this year, although he will not elaborate on the company's further plans. Delahunt does say, however, that toll road operations are stronger in the eastern U.S., where Howard Johnson will probably first concentrate its Burger King activities.

In addition, Marriott, which operates 15 restaurants along the New Jersey and Delaware turnpikes, is converting those units into combination Roy Rogers/Bob's Big Boy units. Two have already opened (one in each state) and, according to Marriott executives, are performing "phenomenally well."

All of Greyhound's Food Management's Post House units primarily based in downtown areas near bus terminals have been converted into other concepts; 75 percent are now BKs and the remaining are snack bars, vending installations and theme restaurants. Greyhound does, however, operate some of these concepts in areas not associated with bus terminals.

With 1982 sales of $134 million, ship carriers represent the smallest portion of the travel foodservice segment. But cruise ship travel has been experiencing some notable changes of late, and cruise ship concerns are optimistic as a result. According to a spokesman from Holland America, a four-ship fleet of cruise liners, younger people are becoming attracted to the waters, which have traditionally drawn an older, more sophisticated clientele. Holland America is now building a fifth ship. And Carnival Cruise Lines, which caters largely to singles, recently announced it was building three more ships, at a cost of $100 million each, bringing Carnival to a total of seven ships.

Transportation Market: Foodservice Sales

1981: $1,966,000,000 +4.5% Sales Growth | 1982: $2,131,000,000 +8.4% Sales Growth

1987: $3,305,000,000 +9.2% Compound Annual Sales Growth

	1981 Sales ($000,000)	1981 Purchases ($000,000)	1981 vs 1980 % Growth	1982 Sales ($000,000)	1982 Purchases ($000,000)	1982 vs 1981 % Growth	1987 Sales ($000,000)	1982-1987 % Compound Annual Growth Nominal	1982-1987 % Compound Annual Growth Real
Air & Rail *(in transit)*	1,056	513	3.4	1,142	555	8.1	***	***	***
Terminal Facilities	508	178	5.4	553	193	8.8	***	***	***
Highway *(Interstate)*	279	101	6.1	302	107	8.2	***	***	***
Passenger & Cargo Ships	123	68	6.5	134	74	8.9	***	***	***
TOTAL	1,966	860	4.5	2,131	929	8.4	3,305	9.2	3.8

****There is not sufficient data to develop individual projections for these sub-market segments.*

16th Annual Restaurant Growth Index

by Jeffrey Hall

Each year brings change to the foodservice industry. Many changes affect each restaurant in the industry: New menu items are created, new preparation techniques developed, new employees added, new customers served. So, for any year, "A Time of Change" could be the theme of our discussion of trends affecting the restaurant industry. However, the 16th Annual Restaurant Growth Index is marked by unusually significant changes. Some of these will be highlighted in the next few pages. They concern trends revealed by broad statistical indicators for the foodservice industry. Other changes have to do with the techniques used to measure growth potential, as presented in the detailed statistical tables that follow our discussion. All in all, the changes we'll discuss make the 16th Annual Restaurant Growth Index a significantly changed report—a new benchmark of growth for the 80s.

The statistical measure of growth potential that we have published over the years is called the Restaurant Growth Index. For purposes of clarity in the discussion that follows, we'll refer to the index itself as the RGI, and call the overall report by its full name, the Restaurant Growth Index. This year we've introduced major improvements into the data base used to determine the RGI. Now, you can better pinpoint the potential of each metropolitan market. For a detailed explanation of the how's and why's of this change, see page 124.

A second change in the presentation of the Restaurant Growth Index is equally important: New metropolitan market definitions are now in effect. In earlier editions of the Restaurant Growth Index, the metropolitan markets shown in detail were SMSAs—Standard Metropolitan Statistical Areas, as defined by the Federal government. The government has now completely revised the official definitions to reflect the population shifts and living patterns revealed by the 1980 Census. The new areas will be called MSAs—Metropolitan Statistical Areas. Detailed information on the new MSAs is given on page 134, but the important point is this: Because new definitions of metropolitan markets and new data base for calculating the RGI are used, this year's Restaurant Growth Index data should not be compared to those from previous years.

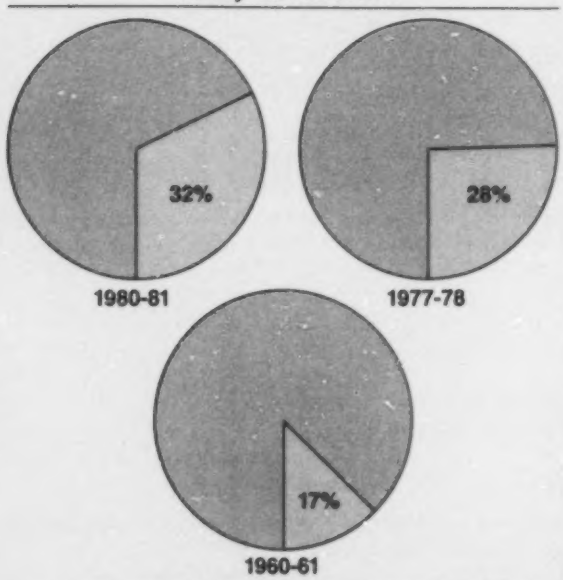
Demographic facts that have recently become available reveal information crucial to the understanding of changes in American life. These changes form the background to the specific market information shown in the detailed tables of the Restaurant Growth Index. How the foodservice industry reacts to these trends will have a great impact on how the industry grows over the next few years.

One of the most significant indicators to be released over the last few months is the U.S. Bureau of Labor Statistics' survey of how consumers spend their money. The Consumer Expenditure Survey indicates that nearly one of every three dollars spent on food by the average American household is spent on food away from home. This is nearly twice the proportion revealed 20 years ago in an earlier version of this study. Table 1 shows the pattern of growth.

The Consumer Expenditure Survey shows that the proportion of the food budget devoted to food away from home increased as income increased. In the average household in the survey for which complete income was reported, $53.24 was the total weekly food budget. Of that amount, $17.27 or 32.4 percent was spent in restaurants, cafeterias, etc. But among those households whose incomes place them among the top 20 percent in affluence, the weekly expenditure for food was $80.86. In these higher-income households, $30.37 went to food away from home—37.6

TABLE 1

% of food budget spent on food away from home



U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

TABLE 2

Proportion of food dollar spent on food at home and away from home, by economic level						
	All*	Low 20%	2nd 20%	Mid 20%	4th 20%	High 20%
Income before taxes	$19,188	3,562	9,417	16,190	24,253	42,440
Weekly food expenditure	$53.24	27.85	39.52	52.00	65.85	80.86
Weekly food away from home	$17.27	7.26	10.60	16.73	21.35	30.37
% food away from home	32.4%	26.0%	26.8%	32.2%	32.4%	37.6%

**This group represents all households in the survey for which complete income information was available.*

U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

percent of their total expenditure for food.

We can reflect on the ability of the foodservice industry to appeal successfully to all tastes, and all budgets, as demonstrated in these figures. As indicated in Table 1, 20 years earlier (1960-61), the average proportion of the food budget spent for dining out was only 17 percent. Now, even the lowest end of the economic spectrum devotes over 26 percent of its weekly food budget to food away from home (see Table 2). This reflects significant changes in lifestyle and spending priorities among Americans in all economic situations.

We've seen that the foodservice industry's share of the food dollar is increasing, to the point where now even lower-income consumers devote a much higher percentage of their food budgets to away-from-home dining. Many reasons could be cited for this growth. Included in these are the proliferation of lower-cost, "fast-food" establishments over the last 20 years. These have helped make the dining-out experience fun (so more families will be attracted), easy (so that the competitive edge for a quick meal shifts increasingly away from cooking it at home), and accessible (so that it is within the economic range of even the least well off).

A second factor is the increasing number of women in the labor force. This has had a dual impact: First, a job-holding mother may be more apt to eat out rather than coming home to face the task of preparing a meal for her family. Second, as more women attain professional, managerial, and executive positions, the number of customers who are partaking of business lunches automatically increases. Along these lines, it's extremely interesting to note that those affluent households which are spending 37.6 percent of their food budgets on dining out also include an average of 2.1 income earners per household. (The overall average is only 1.3 earners.)

The increase in one-person households which we examine in detail later in this article also increases the market for food away from home, as both young and old single individuals look to dining out as an entertaining diversion as well as a meal. Many other reasons could also be listed, but the basic point is this: The American consumer now spends a growing portion of his or her food dollar on food away from home. The ability of the foodservice industry to encourage that trend is a key factor in its ability to sustain growth.

Although the foodservice industry is gaining an increasing share of the food dollar, the share of all consumer dollars spent on food away from home has remained fairly constant over the last two decades. The tendency of the consumer to devote more of the food budget to food away from home is important, but its

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TABLE 3

Percent of disposable income allocated to food			
Year	All food	Food at home	Food away from home
1960	20.0%	16.0%	4.0%
1965	18.0%	14.0%	4.0%
1970	17.2%	13.2%	4.0%
1975	16.9%	12.7%	4.2%
1980	16.4%	12.1%	4.3%
1982 (preliminary data)	16.1%	11.7%	4.4%

U.S. Department of Commerce, reported in U.S. Department of Agriculture, National Food Review and Food Consumption, Prices, and Expenditures.

TABLE 4

Percentage of households at selected income levels			
	1971	1976	1981
Under $10,000	55.5	39.2	25.4
$10,000-$19,999	35.7	35.5	26.7
$20,000-$34,999	7.2	20.2	28.6
$35,000-$49,999	1.1	3.5	12.1
$50,000 and over	.5	1.6	7.2
Median income	$9,028	$12,686	$19,074

U.S. Bureau of the Census, Current Population Reports, Consumer Income

growth comes primarily at the expense of food consumed at home. Thus, the total food budget is taking up less and less of the consumer's available dollars, while a greater share is going to other personal expenditures such as medical care, gas and oil, and housing. The dramatic decline of the percentage the total budget devoted to food at home is illustrated in Table 3.

As this table shows, consumers are devoting a smaller percentage of their spendable dollars to food. However, the percentage of those dollars going to restaurants, cafeterias, fast food chains, etc., has held steady at around the 4.1 percent level. If this two-decade trend continues, the foodservice industry will continue to win an increasing share of the consumer's food dollar. However, because the proportion of all consumer dollars spent on food will decline, that increasing share of the food dollar, as revealed in both these U.S. Department of Commerce and U.S. Department of Agriculture data and the U.S. Bureau of Labor Statistics figures cited earlier, will represent a constant share—about 4 percent—of total spending. Therefore, the foodservice industry's hopes for growth are tied primarily to an increase in consumer incomes.

TABLE 5

Percentage of households at selected income levels, in 1981 dollars			
	1971	1976	1981
Under $10,000	23.8	23.8	25.4
$10,000-$19,999	28.9	25.6	26.7
$20,000-$34,999	31.4	31.8	28.6
$35,000-$49,999	9.5	11.6	12.1
$50,000 and over	6.4	7.3	7.2
Median income	$20,274	$20,268	$19,074

U.S. Bureau of the Census, Current Population Reports, Consumer Income

TABLE 6

Percentage of households by type		
	1970	1982
Married couples	70.5	59.4
with children at home	40.3	29.3
with no children at home	30.3	30.1
Families headed by women (no husband present)	8.7	11.3
Families headed by men (no wife present)	1.9	2.4
Nonfamily households	18.8	26.9
Men living alone	5.6	9.0
Women living alone	11.5	14.2
Other (usually unrelated individuals living together)	1.7	3.7

U.S. Bureau of the Census, Current Population Reports, Population Characteristics

We have seen that affluent households devote a high percentage of their food budgets to food away from home. We have also noted that even lower-income consumers spent over a quarter of every food dollar in restaurants, cafeterias, fast food units, etc. We've determined that future growth in the foodservice industry is dependent, in a very significant way, on growth in incomes of consumers. Thus, we are naturally led to investigate what recent trends have shown about income. Here the news is mixed. Incomes are changing, but as the old saying has it, "The more things change, the more they remain the same." In terms of dollars flowing into the pocketbooks of Americans, incomes are increasing, but the spending value of those dollars is still eroding due to inflation. A comparison of two tables shows what this means. Table 4 shows the most recent U.S. Census Bureau figures for household income, annual income for 1981, compared with similar data for five and 10 years earlier.

In terms of the money they were earning that year, over half of all households in 1971 had incomes under $10,000 and nine out of 10 earned under $20,000. Only one-half of one percent of all households had an income greater than $50,000. The median income (midpoint of all incomes, with half above and half below) was only $9,028. Ten years later, the proportion receiving under $10,000 had dropped to just over one quarter, and nearly half of all households earned over $20,000. The median had more than doubled, to $19,074. At the upper end of the spectrum, 7.2 percent of all households enjoyed incomes greater than $50,000, a vast increase since the decade earlier.

But this rosy picture fades considerably when we adjust those figures to take into account the effects of inflation. Table 5 represents the same information shown in Table 4, but this time with the spending power of those 1971 and 1976 dollars translated into 1981 terms. You see that very little real change occurred, and in some cases, the change was actually for the worse.

Here we find that, in terms of spending power, median income was slightly decreased and the percentage earning under $10,000 has gone up a bit. Although a slight growth in the affluent categories can be seen, the middle group of incomes between $20,000 and $35,000 has shrunk—some have moved upward, but others downward.

Of course, income is not the only demographic factor that documents lifestyle changes of consumers. Even the families and households in which Americans live, and which serve as basic consuming units, are undergoing significant shifts. These shifts have major implications for restaurants.

In 1970, seven of 10 households consisted of married couples—four of 10 with children under 18 still at home, three of 10 without children at home. But 12 years of rising divorce rates, declining birth rates, increasing living together without marriage, and growing tendencies toward living alone have changed that.

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As Table 6 shows, married couples without children at home make up about the same proportion of all households now as they did in 1970. However, married couples with children have declined dramatically, to the point where a couple without children (either childless or whose children have grown and left to form their own households) is statistically more common.

At the same time, persons living alone or living together with other persons to whom they are not related—in other words, nonfamily households—have increased. Now more than one of four households does not contain a family, and nearly one of four is simply one person maintaining his or her own household alone.

Consequently, households are becoming smaller. The trends toward living alone, toward having fewer children, and toward living together in nonfamily households have changed the face of the American household over the past two decades. The dramatic extent of this change is illustrated in Table 7.

Why are these data important for the foodservice industry? Because smaller households spend a greater proportion of their food budgets on food away from home. Data from the Consumer Expenditure Survey show that nearly 45 percent of the money spent on food by one person households goes to food away from home. Over 34 percent of the food dollars of two-person households is spent in restaurants, cafeterias, etc. (See

continued on page 128

How the RGI is calculated

In earlier years, the RGI was based on the relationship of working and residential (i.e., daytime and nighttime) population in each market to that market's share of eating place sales. Although useful, this method has now been replaced by a more sophisticated and finely tuned formula.

The underlying theory for both the old and the new RGIs is this: Each market's likelihood of eating out can be estimated based on key demographic factors. The potential for growth can be measured by determining how well the eating places in the market meet that likelihood of eating out—how well supply meets demand. Expressing that relationship in an index where supply matching demand equals 100 provides an instantly understandable and usable measure of the potential for growth.

Although the theory remains the same, the input for measuring supply and demand has been changed. Rather than simply looking at populations, the "demand" portion of the RGI has been constructed to reflect each market's share of six key demographic factors. Each factor represents a significant piece of input into the determination of whether the consumers in that market are likely to patronize restaurants.

The six factors are:

- Market's % of U.S. employed persons,
- Market's % of U.S. working women,
- Market's % of U.S. households earning $25,000 or more,
- Market's % of U.S. eating place sales,
- Market's % of U.S. hotel and motel receipts,
- Market's % of U.S. population age 14 and under; and 25-44.

These six factors are given equal weight and added together to create the demand portion of our equation.

Restaurant supply is measured by determining each market's share of the total number of eating establishments in the country.

Demand is then divided by supply and the result multiplied by 100 to yield the final RGI in index form.

An index of 100 means that supply is exactly meeting demand. When demand exceeds supply, the potential for restaurant growth is present, and the RGI will exceed 100. The more potential for growth, the higher the index. Thus, when the RGI is 115, the potential for 15 percent growth in the market is available simply to meet current demand.

Similarly, an index under 100 means the market is now saturated. An RGI of 90 means that supply is 10 percent greater than demand, and that growth of the overall restaurant market is unlikely. Of course, individual establishments may still grow by winning market share from competitors. However, the overall picture for the foodservice industry in markets with indices under 100 is one of saturation.

Why change the RGI? We have introduced these improvements to more accurately measure supply and demand in the restaurant industry. The techniques used to measure demand in the past have been refined by looking at key segments of the restaurant-using population as well as important measures of actual restaurant use. Supply is now measured by the number of eating establishments in the market. The resulting new RGI does not depart from previous versions in underlying theory—which has been demonstrated as sound—but puts that theory into more accurate and useful practice.

Why change it now? Because of the full-scale revision of the metropolitan market definitions used in the Restaurant Growth Index, which was performed by the Federal government, comparisons of this year's data with those from earlier years are in many cases not possible. We took advantage of this major change in the Restaurant Growth Index to introduce a refinement of the statistical indicator itself, the RGI. Thus, the disruption in comparability only occurs in this single year. The current Restaurant Growth Index, with its improved RGI, will serve as the benchmark for comparisons with data from the years to come.

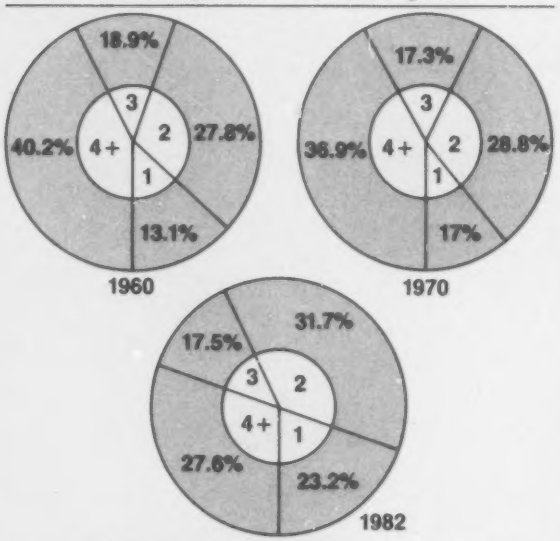
Table 8 for the detailed breakdown.)

Smaller households are the fastest-growing type, and households containing one or two people now make up more than half of all households. Smaller households are also, in terms of how they allocate their food dollars, more likely to eat out. The confluence of these trends presents a significant opportunity for the foodservice industry. How the industry responds to demographic realities—the factors that influence the demand for food away from home—will go a long way toward determining the industry's potential for continued success.

We will touch upon one final demographic fact that represents, unfortunately, a change that is not so good. The nation's continuing struggle with unemployment has a direct effect on the likelihood of consumers to spend money in restaurants. Examining unemployment figures for the month of March for 1981 and 1983, we find that the unemployment situation has worsened in every state but Arkansas and Delaware. In these two states, the percentage of the labor force that was out of a job decreased. In two others, Hawaii and New Jersey, the rate increased by less than one percentage point. By contrast, 16 states showed increases in their unemployment rates that exceeded the national increase of three percentage points. Hardest hit were West Virginia, Wyoming, Pennsylvania, and Oklahoma. Although more encouraging news is being released, at least on a national basis, (as this article goes to press), the unemployment situation continues to be a difficult barrier to economic recovery.

TABLE 7

Percentage of households by size



Inner circle shows number of persons per household; outer circle shows percentage of all households that are that size.

U.S. Bureau of the Census, Current Population Reports, Population Characteristics

What do all these demographic trends mean to you? The best way to find out is to consult the details for your market in the statistical tables of the Restaurant Growth Index, which follows this article. There, you'll find detailed and comprehensive market-by-market information on the potential for growth in the foodservice industry. The national trends in consumer spending, income, household size, and employment that we've covered above give you the background for the changes in American society—and in the foodservice industry—that are taking place. The Restaurant Growth Index gives you a tool to work with in making sure that those changes work for, not against, you in the year to come.

Definitions

Population:

Updated from the 1980 U.S. Census of Population and Housing, it is an estimate of the number of people living in an area at the end of the year. It includes people living in colleges and hospitals, and armed forces permanently assigned to the area, but excludes tourists and transients. Large changes in group-quarters populations are not projected in these forecasts.

Demographic statistics have been estimated employing a population component procedure. That is, independent county estimates of births, mortality, and migration are generated. These population components are aggregated and either added or subtracted from the appropriate benchmark.

Fertility rates, for example, have been projected at their current rate of change. We assume that the pattern of births will continue its slow but steady rate. Similarly, we have assumed that no major medical advancement will be found over the next few years and that the mortality rates that are in effect today will continue unmodified.

Percent of U.S. Pop.:

A market's share of the total U.S. population.

Household:

A household consists of all the people occupying a single housing unit under 1980 census rules—such as a house, an apartment, a group of rooms, or a single room. The members of a household need not be related, and a single person living alone in a housing unit is also counted as a household.

All persons who are not members of households are regarded as living in group quarters: institutions, college dormitories, military barracks, etc. Caution: Although a county's population total will include all the people in the area, the household total will not do so because it excludes those living in group quarters.

Average Household Size:

Total population divided by the number of households. Depending upon whether it is above or below the U.S. average, it is used as a rough indicator of the relative importance of family-type units or single-person units in a local area.

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TABLE 8

Weekly food expenditures by household size						
Persons per household	1	2	3	4	5	6 or more
Food budget	$25.88	47.74	57.38	69.67	79.29	93.47
Away from home	11.59	16.30	17.80	20.57	21.78	19.91
% away from home	44.8%	34.1%	31.0%	29.5%	27.5%	21.3%

U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

However, the figure can be artificially high in those relatively few counties where there is a disproportionate share of college, military, or other types of institutional population. The people living in such group quarters are part of the population total, but their dwellings are not part of the household total.

Eating and Drinking Places:

Includes establishments selling prepared foods and drinks for consumption on or near the premises or for takeout, as well as lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption. Also included are caterers and in-plant food contractors, as well as leased eating and/or drinking concessions in theaters, hotels, amusement parks, etc. Restaurants and lunch counters operated by department stores are classified in General Merchandise Group; those operated by hotels are classified in the Hotels Group.

Eating Places:

Includes retail sales of restaurants and lunch rooms, social caterers, cafeterias, fast food sales, contract feeding, and ice cream and frozen custard stands. Excludes drinking place sales.

Restaurants:

Establishments engaged in serving prepared food and beverages selected by the patron from a full menu. Waiter or waitress service is provided and the establishment has seating facilities for at least 15 patrons. These establishments often serve alcoholic beverages. Establishments in which sales of alcholic beverages for consumption on the premises exceed receipts from sales of prepared foods and nonalcoholic beverages are classified as "Drinking places."

Fast Food:

Establishments primarily selling limited lines of refreshments and prepared food items. Included in this group are establishments which prepare refreshment items such as pizza, barbecued chicken, and hamburgers for consumption either on or near the premises or for "take home" consumption.

Market Share:

Represents the percent of eating places from fast food units or from restaurants. It is indicative of customer preference for these types of establishments in that area.

Restaurant Activity Index (RAI):

The percent of U.S eating place sales divided by the percent of U.S. food store sales, expressed as an index. An index greater than 100 indicates more than average propensity to eat out rather than at home.

Restaurant Growth Index (RGI):

The RGI is calculated by a new method this year, as explained in detail on page 124. In brief, the RGI is designed to show the relationship between restaurant supply and demand in each market as an index. When supply equals demand, the index is 100. When demand exceeds supply, and the potential for growth is present, the index will exceed 100. The amount by which the RGI exceeds 100 represents the proportion of growth potential that is present—an index of 120 means that the market's demand could support 20 percent growth. When the market is saturated, and supply exceeds demand, the index will drop below 100.

Demand is measured by six factors:

- Market's share of U.S. employed persons
- Market's share of U.S. working women
- Market's share of U.S. households with effective buying income of $25,000 or more
- Market's share of U.S. eating place sales
- Market's share of U.S. hotel and motel receipts
- Market's share of U.S. population age 14 & under; 25 to 44

These factors are given equal weight and added together to create the demand portion of the equation (i.e., $A+B+C+D+E+F \div 6$).

Supply is measured by the percentage of U.S. total eating places located in the market.

The RGI is created by dividing demand by supply, and multiplying the result by 100, so that the final figure will be in index form.

Television Market:

The TV markets are the American Research Bureau's Areas of Dominant Influence (ADIs). ARB studies each county for its measurable viewing patterns. The hours of viewing accorded each TV station whose signal reached the county are totalled; then each station's percentage share of total viewing hours is calculated. The market of origin of the TV stations with the largest share of viewing hours becomes the ADI name for that market, and all counties whose largest viewing share is given to stations of that same market of origin are grouped within the ADI. (For its purposes, ARB splits certain counties, treating each portion as if it were a separate county.) Each county (or portion) is allocated exclusively to a single ADI; thus overlap is eliminated. All of the area of the United States is covered except

continued on page 133

Authorized Panasonic Video Watchdog Dealers:

ARKANSAS

Little Rock
Stanley Communications Co.
501-562-9200

CALIFORNIA

Los Angeles
Gaucho's Electronics
213-484-0046

CONNECTICUT

Fairfield
Security Resources
203-334-3233

West Hartford
Comcast Sound Communications
203-527-9104

West Haven
Security 21 Supply
203-934-2681

DELAWARE

Wilmington
High Fidelity House
302-478-3575

GEORGIA

Mableton
Specialized Alarm Services
404-944-1898

ILLINOIS

Arlington Heights
Tele-Time Systems
312-640-1420

Bellwood
Precision Video & Audio
312-544-7770

Broadview
Meade Electronics Inc.
312-344-5115

Chicago
Gem Security Consultants, Ltd.
312-781-0045

New Lenox
Video Master, Inc.
815-485-7000

River Grove
Forest Security Systems, Inc.
312-456-7200

INDIANA

Evansville
Ohio Valley Communications, Inc.
812-425-4416

Indianapolis
Marbaugh Engineering Supply Co., Inc.
317-632-4322

Video Values, Inc.
317-842-8757

Richmond
Fox Electronics Co., Inc.
317-935-7343

KENTUCKY

Louisville
Marico Inc.
502-895-2451

LOUISIANA

New Orleans
Wm. B. Allen Supply Company, Inc.
504-525-8252

Shreveport
Industrial Electronics Supply, Inc.
318-222-9459

MAINE

Lewiston
Video Services Unlimited
207-782-5650

Portland
Maine Video Systems, Inc.
207-773-2355

MASSACHUSETTS

Billerica
Eastern Video Systems Inc.
617-667-0009

Boston
Bank Vault Service & Lock Co., Inc.
617-367-2842

Brighton
Ace TV & Video
617-782-6473

Cambridge
Crimson Camera Technical Sales
617-868-5150

Chicopee
Valley Cinema, Inc./ Valley Sound Corp.
413-592-4136

Lawrence
Malco Electronics, Inc.
617-685-4383

Needham
Cramer Video, Inc.
617-449-2100

Distribution Associates, Inc.
617-449-1533

Northboro
New England Sound & Communications
617-393-2591

Wellesley
Metrovideo
617-235-8926

Worcester
CDA Burglar & Fire Alarm Co.
617-798-8511

MICHIGAN

Bancroft
Take One Television Productions
517-634-9179

Roseville
Navatron Communications, Inc.
313-772-9696

Troy
Comcast Sound Communications, Inc.
313-583-5777

Warren
New York Video World, Inc.
313-755-5555

NEW HAMPSHIRE

Hudson
Video Lab
603-880-1695

NEW JERSEY

Camden
Controlled Access Corporation
609-964-2700

Denville
Custom Video Systems, Inc.
201-625-0200

Harrison
A-1 Electronics Corp.
201-483-2120

Springfield
Disco Electronics, Inc.
201-376-3350

NEW YORK

New York
A.A.I.M. Group, Inc.
212-870-0500

Robert I. Arnay, Inc.
212-869-5990

OHIO

Cincinnati
Electronic Eye, Inc.
513-891-9044

Cleveland
Advanced Electronic Technologies, Inc.
216-566-1790

Columbus
A&T Security & Video Systems, Inc.
614-272-5318

The Silent Watchman Corp.
614-491-5200

Wolfe Safety & Security Systems, Inc.
614-294-5555

PENNSYLVANIA

Pittsburgh
Muzak of Pittsburgh
412-471-1320

Triangle Electronics Co.
412-441-9659

RHODE ISLAND

No. Providence
Shanix Brothers
401-232-1783

TENNESSEE

Knoxville
Audio Visual Communications, Inc.
615-687-8400

TEXAS

Beaumont
Video Mart
409-842-0497

Dallas
Accent Audio-Video
214-458-0501

The Hutchings Company, Inc.
214-357-6286

SJB Distributors, Inc.
214-343-1328

Houston
Video Products, Inc.
713-972-1790

VERMONT

Winooski
GNS Telesystems/ The Video Station
802-655-9600

For information circle number 62

for Hawaii and part of Alaska.

Metropolitan Statistical Areas (MSAs):

In the Restaurant Growth Index, metropolitan markets are identical with Federal government's definition of MSAs or PMSAs (Primary Metropolitan Statistical Areas), except in New England, where NECMAs (New England County Metropolitan Areas) are used. These metropolitan markets are counties or groups of counties which meet certain criteria of metropolitan character.

The basic criteria for metropolitan areas are:

1. Each metropolitan statistical area must include a city which, with contiguous and densely settled territory, constitutes a Census Bureau defined urbanized area with at least 50,000 population.

2. If a metropolitan statistical area's largest city has less than 50,000 population, the area must have a total population of a least 100,000.

Thus, a city of 50,000 or an urbanized area surrounding a city with 50,000 and a population density of 1,000 per square mile becomes a basic test of the metropolitan character of an area. The county or counties in which the city or urbanized area is located, plus surrounding counties with heavy commuting between themselves and the core counties and population density sufficient to establish them as metropolitan, are designated as the metropolitan area.

Certain areas meet many tests of metropolitan character, but are located within larger, dominating metropolitan statistical areas of one million or more population. To preserve the identity of these areas within the large, "mega-metropolitan areas," the government devised a second level of metropolitan criteria. These criteria identify, within metropolitan areas of at least one million population, sub-areas that are called Primary Metropolitan Statistical Areas (PMSAs). A county or counties that express strong local opinion to be identified as a PMSA must have:

1. At least 100,000 population
2. At least 60 percent of its population urban
3. Less than 50 percent of its resident workers commuting to jobs outside the county.

The Restaurant Growth Index treats MSAs and PMSAs as equivalent areas, so that the most locally identifiable area that qualifies as metropolitan will be the one appearing in the statistical tables.

In New England, the official MSA definitions are based on cities and towns rather than counties. Because the Restaurant Growth Index is developed from a county level data base, we use New England County Metropolitan Areas (NECMAs) in the six New England states. NECMAs are determined by using the MSA standards as described above. □

Jeffrey Hall, formerly director of marketing of Market Statistics, is a consultant to Restaurant Business *Magazine.* *All data are copyrighted by* Restaurant Business *Magazine and* Sales & Marketing Management *Magazine and further reproduction without permission is prohibited.*

Metropolitan statistical areas

The following list shows the new definitions of each metropolitan area as covered in the Restaurant Growth Index.

As discussed in the definitions on page 118, the federal government has completely revamped the classification system for metropolitan areas. Besides the change in name from SMSAs to MSAs and PMSAs as described in the definitions, many of the metropolitan markets have *added* or *deleted* counties. In addition, 16 new metropolitan markets have been created.

The counties which constitute these, and all other, metropolitan areas, are given in the following list:

Abilene, TX—Taylor (Callahan and Jones Counties deleted)
Akron, OH—Portage, Summit
Albany, GA—Dougherty, Lee
Albany-Schenectady-Troy, NY—Albany, Greene (added), Montgomery, Rensselaer, Saratoga, Schenectady
Albuquerque, NM—Bernalillo, (Sandoval deleted)
Alexandria, LA—Rapides (Grant Parish deleted)
Allentown-Bethlehem, PA-NJ (Former title: Allentown-Bethlehem-Easton, PA-NJ—Carbon, PA; Lehigh, PA; Northampton, PA; Warren, NJ
Alton-Granite City, IL—Jersey (added), Madison
Altoona, PA—Blair
Amarillo, TX—Potter, Randall
Anaheim-Santa Ana, CA (Former title: Anaheim-Santa Ana-Garden Grove, CA)—Orange
Anchorage, AK—Anchorage Borough
Anderson, IN—Madison
Anderson, SC—Anderson
Ann Arbor, MI—Washtenaw
Anniston, AL—Calhoun
Appleton-Oshkosh-Neenah, WI (Former title: Appleton-Oshkosh, WI)—Calumet, Outagamie, Winnebago
Asheville, NC—Buncombe (Madison deleted)
Athens, GA—Clarke, Jackson, Madison, Oconee
Atlanta, GA—Barrow (added), Butts, Cherokee, Clayton, Cobb, Coweta (added), De Kalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Rockdale, Spalding (added), Walton
Atlantic City, NJ—Atlantic, Cape May (added)
Augusta, GA-SC—Columbia, GA; McDuffie, GA (added); Richmond, GA; Aiken, SC
Aurora-Elgin, IL—Kane, Kendall (added)
Austin, TX—Hays, Travis, Williamson
Bakersfield, CA—Kern
Baltimore, MD—Anne Arundel, Baltimore, Carroll, Harford, Howard, Queen Anne's (added), Baltimore
Bangor, ME—Penobscot
Baton Rouge, LA—Ascension, East Baton Rouge, Livingston, West Baton Rouge
Battle Creek, MI—Calhoun (Barry deleted)
Beaumont-Port Arthur, TX Former title: Beaumont-Port Arthur-Orange, TX)—Hardin, Jefferson, Orange
Beaver County, PA—Beaver
Bellingham, WA—Whatcom
Benton Harbor, MI—Berrien
Bergen-Passaic, NJ (Former title: Paterson-Clifton-Passaic, NJ)—Bergen, NJ; Passaic, NJ
Billings, MT—Yellowstone
Biloxi-Gulfport, MS—Hancock, Harrison, (Stone deleted)
Binghamton, NY (Former title: Binghamton, NY-PA)—Broome, Tioga, (Susquehanna, PA deleted)
Birmingham, AL—Blount (added), Jefferson, St. Clair, Shelby, Walker
Bismarck, ND—Burleigh, Morton
Bloomington, IN—Monroe
Bloomington-Normal, IL—McLean
Boise City, ID—Ada
Boston-Lawrence-Salem-Lowell-Brockton, MA (Former title: Boston-Lowell-Brockton-Lawrence-Haverhill, MA)—Essex, Middlesex, Norfolk, Plymouth, Suffolk
Boulder-Longmont, CO—Boulder
Bradenton, FL—Manatee
Brazoria, TX—Brazoria
Bremerton, WA—Kitsap
Bridgeport-Stamford-Norwalk-Danbury, CT—Fairfield
Brownsville-Harlingen, TX (Former title: Brownsville-Harlingen-San Benito, TX)—Cameron
Bryan-College Station, TX—Brazos
Buffalo, NY—Erie
Burlington, NC—Alamance
Burlington, VT—Chittenden, Grand Isle (added)
Canton, OH—Carroll, Stark
Casper, WY—Natrona
Cedar Rapids, IA—Linn
Champaign-Urbana-Rantoul, IL—Champaign
Charleston, SC (Former title: Charleston-North Charleston, SC)—Berkeley, Charleston, Dorchester
Charleston, WV—Kanawha, Putnam
Charlotte-Gastonia-Rock Hill, NC-SC (Former title: Charlotte-Gastonia, NC: includes former Salisbury-Concord, NC, and Rock Hill, SC, SMSAs)—Cabarrus, NC (added); Gaston, NC; Lincoln, NC (added); Mecklenburg, NC: Rowan, NC (added); Union, NC; York, SC (added)
Charlottesville, VA—Albemarle, Fluvanna, Greene, Charlottesville
Chattanooga, TN-GA—Hamilton, TN; Marion, TN; Sequatchie, TN; Catoosa, GA; Dade, GA; Walker, GA
Chicago, IL—Cook, DuPage, McHenry
Chico, CA—Butte
Cincinnati, OH-KY-IN—Clermont, OH; Hamilton, OH; Warren, OH; Boone, KY; Campbell, KY; Kenton, KY; Dearborn, IN
Clarksville-Hopkinsville, TN-KY—Montgomery, TN; Christian, KY
Cleveland, OH—Cuyahoga, Geauga, Lake, Medina
Colorado Springs, CO—El Paso, (Teller deleted)
Columbia, MO—Boone
Columbia, SC—Lexington, Richland
Columbus, GA-AL—Chattahoochee, GA; Muscogee, GA; Russell, AL
Columbus, OH (includes former Newark, OH, SMSA)—Delaware, Fairfield, Franklin, Licking, (added) Madison, Pickaway, Union, (added)
Corpus Christi, TX—Nueces, San Patricio
Cumberland, MD-WV—Allegany, MD; Mineral, WV
Dallas, TX (Former title: Dallas-Fort Worth, TX)—Collin, Dallas, Denton, Ellis, Kaufman, Rockwall
Danville, VA—Pittsylvania, Danville
Davenport-Rock Island-Moline, IA-IL—Scott, IA; Henry, IL; Rock Island, IL
Dayton-Springfield, OH (Former title: Dayton, OH; includes major portion of former Springfield, OH, SMSA)—Clark (added), Greene, Miami, Montgomery (Champaign/Preble deleted)
Daytona Beach, FL—Volusia
Decatur, IL—Macon
Denver, CO (Former title: Denver-Boulder, CO)—Adams, Arapahoe, Denver, Douglas, Jefferson, (Gilpin deleted)
Des Moines, IA—Dallas (added), Polk, Warren
Detroit, MI—Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Wayne
Dothan, AL (new)—Dale, Houston
Dubuque, IA—Dubuque
Duluth, MN-WI (Former title: Duluth-Superior, MN-WI)—St. Louis, MN; Douglas, WI
East St. Louis-Belleville, IL (new)—Clinton, St. Clair
Eau Claire, WI—Chippewa, Eau Claire
El Paso, TX—El Paso

continued on page 138

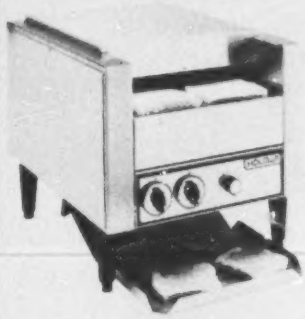
MSAs *continued from page 134*

Elkhart-Goshen, IN (Former title: Elkhart, IN)—Elkhart
Elmira, NY—Chemung
Enid, OK—Garfield
Erie, PA—Erie
Eugene-Springfield, OR—Lane
Evansville, IN-KY—Posey, IN; Vanderburgh, IN; Warrick, IN; Henderson, KY; (Gibson, IN, deleted)
Fargo-Moorhead, ND-MN—Cass, ND; Clay, MN
Fayetteville, NC—Cumberland
Fayetteville-Springdale, AR—Washington, (Benton deleted)
Flint, MI—Genesee, (Shiawassee deleted)
Florence, AL—Colbert, Lauderdale
Florence, SC—Florence
Fort Collins-Loveland, CO (Former title: Fort Collins, CO)—Larimer
Fort Lauderdale-Hollywood-Pompano Beach, FL (Former title: Fort Lauderdale-Hollywood, FL)—Broward
Fort Myers, FL (Former title: Fort Myers-Cape Coral, FL)—Lee
Fort Pierce, FL (new)—Martin, St. Lucie
Fort Smith, AR-OK—Crawford, AR; Sebastian, AR; Sequoyah, OK; (Le Flore, OK deleted)
Fort Walton Beach, FL—Okaloosa
Fort Wayne, IN—Allen, De Kalb, Whitley (added), (Adams and Wells deleted)
Fort Worth-Arlington, TX (new)—Johnson, Parker, Tarrant, (Hood and Wise deleted)
Fresno, CA—Fresno
Gadsden, AL—Etowah
Gainesville, FL—Alachua, Bradford (added)
Galveston-Texas City, TX—Galveston
Gary-Hammond, IN (Former title: Gary-Hammond-East Chicago, IN)—Lake, Porter
Glens Falls, NY—Warren, Washington
Grand Forks, ND (Former title: Grand Forks, ND-MN)—Grand Forks, (Polk, MN, deleted)
Grand Rapids, MI—Kent, Ottawa
Great Falls, MT—Cascade
Greeley, CO—Weld
Green Bay, WI—Brown
Greensboro—Winston-Salem—High Point, NC—Davidson, Davie (added), Forsyth, Guilford, Randolph, Stokes, Yadkin
Greenville-Spartanburg, SC—Greenville, Pickens, Spartanburg
Hagerstown, MD—Washington
Hamilton-Middletown, OH—Butler
Harrisburg-Lebanon-Carlisle, PA (Former title: Harrisburg, PA)—Cumberland, Dauphin, Lebanon (added), Perry
Hartford-New Britain-Middletown-Bristol, CT (Former title: Hartford-New Britain-Bristol, CT)—Hartford, Middlesex, Tolland
Hickory, NC—Alexander, Burke (added), Catawba
Honolulu, HI—Honolulu
Houma-Thibodaux, LA (new)—Lafourche, Terrebonne
Houston, TX—Fort Bend, Harris, Liberty, Montgomery, Waller
Huntington-Ashland, WV-KY-OH—Cabell, WV; Wayne, WV; Boyd, KY; Carter, KY (added); Greenup, KY; Lawrence, OH
Huntsville, AL—Madison (Limestone and Marshall deleted)
Indianapolis, IN—Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Shelby
Iowa City, IA—Johnson
Jackson, MI—Jackson
Jackson, MS—Hinds, Madison (added), Rankin
Jacksonville, FL—Clay, Duval, Nassau, St. Johns, (Baker deleted)
Jacksonville, NC—Onslow
Janesville-Beloit, WI—Rock
Jersey City, NJ—Hudson
Johnson City-Kingsport-Bristol, TN-VA—Carter, TN; Hawkins, TN; Sullivan, TN; Unicoi, TN; Washington, TN; Scott, VA; Washington, VA; Bristol, VA
Johnstown, PA—Cambria, Somerset
Joliet, IL—Grundy, (added), Will
Joplin, MO—Jasper, Newton
Kalamazoo, MI (Former title: Kalamazoo-Portage, MI)—Kalamazoo, (Van Buren deleted)
Kankakee, IL—Kankakee
Kansas City, KS—Johnson, Leavenworth, (added), Miami, (added), Wyandotte
Kansas City, MO (Former title: Kansas City, MO-KS—Cass, Clay, Jackson, Lafayette (added), Platte, Ray
Kenosha, WI—Kenosha
Killeen-Temple, TX—Bell, Coryell
Knoxville, TN—Anderson, Blount, Grainger (added), Jefferson (added), Knox, Sevier (added), Union
Kokomo, IN—Howard, Tipton
La Crosse, WI—La Crosse
Lafayette, LA—Lafayette, St. Martin (added)
Lafayette, IN (Former title: Lafayette-West Lafayette, IN)—Tippecanoe
Lake Charles, LA—Calcasieu
Lake County, IL—Lake
Lakeland-Winter Haven, FL—Polk
Lancaster, PA—Lancaster
Lansing-East Lansing, MI—Clinton, Eaton, Ingham, (Ionia deleted)
Laredo, TX—Webb
Las Cruces, NM—Dona Ana
Las Vegas, NV—Clark
Lawrence, KS—Douglas
Lawton, OK—Comanche
Lewiston-Auburn, ME—Androscoggin
Lexington-Fayette, KY—Bourbon, Clark, Fayette, Jessamine, Scott, Woodford
Lima, OH—Allen, Auglaize, (Putnam and Van Wert deleted)
Lincoln, NE—Lancaster
Little Rock-North Little Rock, AR—Faulkner (added), Lonoke (added), Pulaski, Saline
Longview-Marshall, TX—Gregg, Harrison
Lorain-Elyria, OH—Lorain
Los Angeles-Long Beach, CA—Los Angeles
Louisville, KY-IN—Bullitt, KY; Jefferson, KY; Oldham, KY; Shelby, KY (added); Clark, IN; Floyd, IN; Harrison, IN (added)
Lubbock, TX—Lubbock
Lynchburg, VA—Amherst, Campbell, Lynchburg, (Appomattox deleted)
Macon-Warner Robins, GA (Former title: Macon, GA)—Bibb, Houston, Jones, Peach (added), (Twiggs deleted)
Madison, WI—Dane
Manchester, NH—Hillsborough
Mansfield, OH—Richland
McAllen-Edinburg-Mission, TX (Former title: McAllen-Pharr-Edinburg, TX)—Hidalgo
Medford, OR—Jackson
Melbourne-Titusville-Palm Bay, FL (Former title: Melbourne-Titusville-Cocoa, FL)—Brevard
Memphis, TN-AR-MS—Shelby, TN; Tipton, TN; Crittenden, AR; De Soto, MS
Miami-Hialeah, FL (Former title: Miami, FL)—Dade
Middlesex-Somerset-Hunterdon, NJ (Former title: New Brunswick-Perth Amboy-Sayreville, NJ)—Hunterdon (added), Middlesex, Somerset
Midland, TX—Midland
Milwaukee, WI—Milwaukee, Ozaukee, Washington, Waukesha
Minneapolis-St. Paul, MN-WI—Anoka, MN; Carver, MN; Chisago, MN; Dakota, MN; Hennepin, MN; Isanti, MN (added); Ramsey, MN; Scott, MN; Washington, MN; Wright, MN; St. Croix, WI
Mobile, AL—Baldwin, Mobile
Modesto, CA—Stanislaus
Monmouth-Ocean, NJ (Former title: Long Branch-Asbury Park, NJ)—Monmouth, Ocean (added)
Monroe, LA—Ouachita
Montgomery, AL—Autauga, Elmore, Montgomery
Muncie, IN—Delaware
Muskegon, MI (Former title: Muskegon-Norton Shores-Muskegon Heights, MI)—Muskegon, (Oceana deleted)
Nashville, TN (Former title: Nashville-Davidson, TN)—Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson, Wilson
Nassau-Suffolk, NY—Nassau, Suffolk
New Bedford-Fall River-Attleboro, MA (Former title: New Bedford-Fall River, MA)—Bristol
New Haven-Waterbury-Meriden, CT—New Haven
New London-Norwich, CT—New London
New Orleans, LA—Jefferson, Orleans, St. Bernard, St. Charles (added), St. John the Baptist (added), St. Tammany
New York, NY—Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, Westchester
Newark, NJ—Essex, Morris, Sussex (added), Union
Niagara Falls, NY—Niagara
Norfolk-Virginia Beach-Newport News, VA (Former title: Norfolk-Virginia Beach-Portsmouth, VA-NC; includes former Newport News-Hampton, VA SMSA)—Gloucester (added), James City (added), York (added), Chesapeake, Hampton (added), Newport News (added), Norfolk, Poquoson (added), Portsmouth, Suffolk, Virginia Beach, Williamsburg (added), (Currituck, NC deleted)
Oakland, CA—Alameda, Contra Costa
Ocala, FL—Marion
Odessa, TX—Ector
Oklahoma City, OK—Canadian, Cleveland, Logan (added), McClain, Oklahoma, Pottawatomie
Olympia, WA—Thurston
Omaha, NE-IA—Douglas, NE; Sarpy, NE; Washington, NE (added); Pottawattamie, IA
Orange County, NY (Former title: Newburgh-Middletown, NY)— Orange
Orlando, FL—Orange, Osceola, Seminole
Owensboro, KY—Daviess
Oxnard-Ventura, CA (Former title: Oxnard-Simi Valley-Ventura, CA—Ventura

continued on page 142

For information circle number 64 ➔

HOLMAN INTRODUCES THE MODEL T-710 "SMALL WONDER" CONVEYOR BREAD & BUN TOASTER



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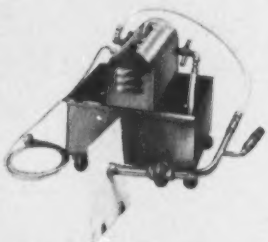
For information circle number 67

NEW from Filtrator "MINI-MAX" FAT FILTER



EXCLUSIVELY FOR ELECTRIC FRYERS *WITHOUT DRAIN VALVES*

MINI-MAX: simple to use, efficient, filters at the rate of 30 to 35 lbs. in three to five minutes; safe (no lifting-pouring hot fat(; MINI-MAX filters and pumps clean fat back into fryer.

MINI-MAX cost? ***About one-third LESS than others.***

DAILY FILTERING CAN CUT FAT COSTS 50% OR MORE—PRODUCE BETTER TASTING FRIED FOODS.

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For information circle number 68

MSAs *continued from page 138*

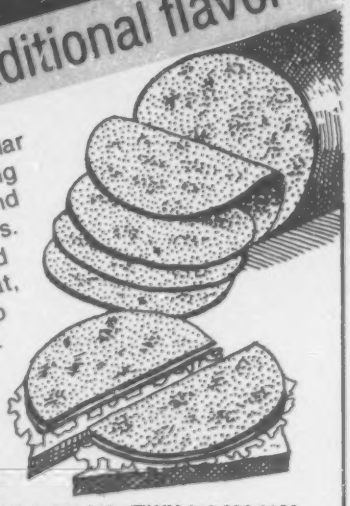
Panama City, FL—Bay
Parkersburg-Marietta, WV-OH—Wood, WV; Washington, OH; (Wirt, WV, deleted)
Pascagoula, MS (Former title: Pascagoula-Moss Point, MS)—Jackson
Pensacola, FL—Escambia, Santa Rosa
Peoria, IL—Peoria, Tazewell, Woodford
Philadelphia, PA-NJ—Bucks, PA; Chester, PA; Delaware, PA; Montgomery, PA; Philadelphia, PA; Burlington, NJ; Camden, NJ; Gloucester, NJ
Phoenix, AZ—Maricopa
Pine Bluff, AR—Jefferson
Pittsburgh, PA—Allegheny, Fayette (added), Washington, Westmoreland
Pittsfield, MA—Berkshire
Portland, ME—Cumberland, (Sagadahoc deleted)
Portland, OR (Former title: Portland, OR-WA)—Clackamas, Multnomah, Washington, Yamhill, (added)
Portsmouth-Dover-Rochester, NH (Former title: Portsmouth-Dover Rochester, NH-ME) Rockingham, Strafford, (York, ME, deleted)
Poughkeepsie, NY—Dutchess
Providence-Pawtucket-Woonsocket, RI (Former title: Providence-Pawtucket-Warwick, RI)—Bristol, Kent, Providence, Washington
Provo-Orem, UT—Utah
Pueblo, CO—Pueblo
Racine, WI—Racine
Raleigh-Durham, NC—Durham, Franklin (added), Orange, Wake
Reading, PA—Berks
Redding, CA—Shasta
Reno, NV—Washoe
Richland-Kennewick-Pasco, WA— Benton, Franklin
Richmond-Petersburg, VA (Former title: Richmond, VA; includes former Petersburg-Colonial Heights-Hopewell, VA SMSA)—Charles City, Chesterfield, Dinwiddie (added), Goochland, Hanover, Henrico, New Kent, Powhatan, Prince George (added), Colonial Heights (added), Hopewell (added), Petersburg (added), Richmond
Riverside-San Bernardino, CA (Former title: Riverside, San Bernardino-Ontario, CA)—Riverside, San Bernardino
Roanoke, VA—Botetourt, Roanoke County, Roanoke city, Salem, (Craig deleted)
Rochester, MN—Olmsted
Rochester, NY—Livingston, Monroe, Ontario, Orleans, Wayne
Rockford, IL—Boone, Winnebago
Sacramento, CA—El Dorado (added), Placer, Sacramento, Yolo
Saginaw-Bay City-Midland, MI (Former title: Saginaw, MI; includes former Bay City, MI SMSA)—Bay (added), Midland (added), Saginaw
St. Cloud, MN—Benton, Sherburne, Stearns
St. Joseph, MO—Buchanan, (Andrew deleted)
St. Louis, MO-IL—Franklin, MO; Jefferson, MO; St. Charles, MO; St. Louis County, MO; St. Louis city, MO; Monroe, IL
Salem, OR—Marion, Polk
Salinas-Seaside-Monterey, CA—Monterey
Salt Lake City-Ogden, UT—Davis, Salt Lake, Weber, (Tooele deleted)
San Angelo, TX—Tom Green
San Antonio, TX—Bexar, Comal, Guadalupe
San Diego, CA—San Diego
San Francisco, CA (Former title: San Francisco-Oakland, CA)—Marin, San Francisco, San Mateo
San Jose, CA—Santa Clara
Santa Barbara-Santa Maria-Lompoc, CA—Santa Barbara
Santa Cruz, CA—Santa Cruz
Santa Rosa-Petaluma, CA (Former title: Santa Rosa, CA)—Sonoma
Sarasota, FL—Sarasota
Savannah, GA—Chatham, Effingham, (Bryan deleted)
Scranton—Wilkes-Barre, PA (Former title: Northeast Pennsylvania)—Columbia (added), Lackawanna, Luzerne, Monroe, Wyoming (added)
Seattle, WA (Former title: Seattle-Everett, WA)—King, Snohomish
Sharon, PA—Mercer
Sheboygan, WI—Sheboygan
Sherman-Denison, TX—Grayson
Shreveport, LA—Bossier, Caddo, (Webster deleted)
Sioux City, IA-NE—Woodbury, IA, Dakota, NE
Sioux Falls, SD—Minnehaha
South Bend-Mishawaka, IN (Former title: South Bend, IN)—St. Joseph, (Marshall deleted)
Spokane, WA—Spokane
Springfield, IL—Menard, Sangamon
Springfield, MA (Former title: Springfield-Chicopee-Holyoke, MA-CT)—Hampden, Hampshire

continued on page 144

Bil Mar

turkey salami • ham
• pastrami • bologna
• Canadian bacon

each with its own traditional flavor



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For information circle number 70

Can you spot the one thing we haven't changed?

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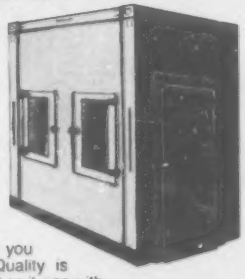

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That's why we ask that you compare a W. A. Brown walk-in-cooler with any other cooler on the market before making the final decision to buy. We want you to closely inspect the quality, pride and years of experience that goes into every one of our units. Then you'll see why we say an investment in a W. A. Brown cooler is an investment in quality.

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For information circle number 71

MSAs *continued from page 142*

Springfield, MO—Christian, Greene
State College, PA—Centre
Steubenville-Weirton, OH-WV—Jefferson, OH; Brooke, WV; Hancock, WV
Stockton, CA—San Joaquin
Syracuse, NY—Madison, Onondaga, Oswego
Tacoma, WA—Pierce
Tallahassee, FL—Gadsden (added), Leon, (Wakulla deleted)
Tampa-St. Petersburg-Clearwater, FL (Former title: Tampa-St. Petersburg, FL)—Hernando (added), Hillsborough, Pasco, Pinellas
Terre Haute, IN—Clay, Vigo, (Sullivan and Vermillion deleted)
Texarkana, TX-Texarkana, AR—Bowie, TX; Miller, AR; (Little River, AR, deleted)
Toledo, OH (Former title: Toledo, OH-MI)—Fulton, Lucas, Wood, (Ottawa, OH, deleted; Monroe, MI, transferred to Detroit, MI, PMSA)
Topeka, KS—Shawnee, (Jefferson and Osage deleted)
Trenton, NJ—Mercer
Tucson, AZ—Pima
Tulsa, OK—Creek, Osage, Rogers, Tulsa, Wagoner, (Mayes deleted)
Tuscaloosa, AL—Tuscaloosa
Tyler, TX—Smith
Utica-Rome, NY—Herkimer, Oneida
Vallejo-Fairfield-Napa, CA—Napa, Solano
Vancouver, WA—Clark
Victoria, TX—Victoria
Vineland-Millville-Bridgeton, NJ—Cumberland
Visalia-Tulare-Porterville, CA—Tulare
Waco, TX—McLennan
Washington, DC-MD-VA—District of Columbia; Calvert, MD (added); Charles, MD; Frederick, MD (added); Montgomery, MD; Prince George's, MD; Arlington, VA; Fairfax, VA; Loudon, VA; Prince William, VA; Stafford, VA (added); Alexandria, VA; Fairfax, VA; Falls Church, VA; Manassas, VA; Manassas Park, VA
Waterloo-Cedar Falls, IA—Black Hawk, Bremer (added)
Wausau, WI—Marathon
West Palm Beach-Boca Raton-Delray Beach, FL (Former title: West Palm Beach-Boca Raton, FL)—Palm Beach
Wheeling, WV-OH—Marshall, WV; Ohio, WV; Belmont, OH
Wichita, KS—Butler, Sedgwick
Wichita Falls, TX—Wichita, (Clay deleted)
Williamsport, PA—Lycoming
Wilmington, DE-MD-NJ—New Castle, DE; Cecil, MD; Salem, NJ
Wilmington, NC—New Hanover, (Brunswick deleted)
Worcester, MA—Worcester
Yakima, WA—Yakima
York, PA—Adams, York
Youngstown-Warren, OH—Mahoning, Trumbull
Yuba City, CA—Sutter, Yuba □

RGI Regional Summary

REGION State	12/31/82 Population (Thous.)	% Of U.S.	Average House-hold Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Connecticut	3,134.1	1.3434	2.75	1,561,756	1,422,395	483,850	34	677,186	48	105	90
Maine	1,148.3	0.4922	2.76	505,414	482,218	191,449	40	250,665	52	96	83
Massachusetts	5,765.0	2.4711	2.74	3,420,655	3,090,285	956,918	31	1,592,116	52	112	100
New Hampshire	970.1	0.4158	2.76	487,473	469,278	166,618	36	260,120	55	91	91
Rhode Island	956.0	0.4097	2.71	419,634	371,072	117,926	32	205,584	55	104	81
Vermont	523.1	0.2242	2.77	229,134	211,321	58,626	28	121,164	57	95	90
NEW ENGLAND	**12,496.6**	**5.3564**	**2.74**	**6,624,066**	**6,046,569**	**1,975,387**	**33**	**3,106,8[illegible]**	**51**	**106**	**93**
New Jersey	7,431.3	3.1854	2.81	3,440,458	2,807,383	963,524	34	1,454,713	52	81	116
New York	17,509.6	7.5052	2.69	7,893,955	7,038,978	2,164,899	31	3,682,166	52	95	97
Pennsylvania	11,869.2	5.0876	2.74	4,685,552	3,929,209	1,504,380	38	1,888,309	48	87	100
MIDDLE ATLANTIC	**36,810.1**	**15.7782**	**2.73**	**16,019,965**	**13,775,570**	**4,632,803**	**34**	**7,019,188**	**51**	**90**	**102**
Illinois	11,489.5	4.9249	2.76	5,667,972	4,951,839	1,979,039	40	2,384,541	48	113	103
Indiana	5,544.1	2.3764	2.78	2,507,507	2,216,629	1,046,932	47	923,199	42	104	88
Michigan	9,261.2	3.9697	2.82	4,404,132	3,749,158	1,452,559	39	1,866,853	50	105	99
Ohio	10,838.3	4.6457	2.74	4,482,732	3,939,874	1,738,274	44	1,778,144	45	91	91
Wisconsin	4,796.8	2.0561	2.76	2,407,686	1,803,150	624,776	35	1,044,020	58	103	89
EAST NORTH CENTRAL	**41,929.9**	**17.9728**	**2.77**	**19,470,029**	**16,660,650**	**6,841,580**	**41**	**7,996,757**	**48**	**103**	**95**
Iowa	2,943.7	1.2617	2.70	1,391,821	1,134,327	483,968	43	561,020	49	96	80
Kansas	2,415.1	1.0352	2.64	1,166,243	1,082,589	551,854	51	429,001	40	121	77
Minnesota	4,177.7	1.7907	2.73	2,099,540	1,766,340	627,362	36	1,007,615	57	114	105
Missouri	4,990.5	2.1392	2.68	2,423,053	2,219,218	996,823	45	946,669	43	109	94
Nebraska	1,600.4	0.6860	2.68	845,167	671,741	268,871	40	350,464	52	110	81
North Dakota	675.3	0.2894	2.77	336,471	247,774	84,522	34	145,585	59	110	89
South Dakota	704.3	0.3018	2.76	349,310	278,851	88,273	32	171,224	61	106	78
WEST NORTH CENTRAL	**17,507.0**	**7.5040**	**2.70**	**8,611,605**	**7,400,840**	**3,101,673**	**42**	**3,611,578**	**49**	**110**	**89**
Delaware	607.0	0.2602	2.78	243,655	224,935	95,238	42	103,575	46	87	96
District of Columbia	613.0	0.2628	2.46	560,598	527,497	164,500	31	243,662	46	288	163
Florida	10,573.5	4.5321	2.54	5,597,168	5,174,932	1,932,276	37	2,688,161	52	121	112
Georgia	5,693.0	2.4403	2.84	2,284,184	2,171,511	1,155,093	53	764,322	35	107	104
Maryland	4,278.1	1.8338	2.80	1,991,280	1,778,095	821,671	46	694,435	39	92	108
North Carolina	6,073.8	2.6035	2.78	2,039,230	1,969,223	995,581	51	749,515	38	95	89
South Carolina	3,244.3	1.3907	2.94	1,119,657	1,070,302	548,633	51	403,200	38	99	105
Virginia	5,541.7	2.3754	2.79	2,244,128	2,189,090	980,352	45	891,540	41	98	104
West Virginia	1,987.5	0.8519	2.79	600,363	548,184	278,522	51	206,654	38	62	100
SOUTH ATLANTIC	**38,611.9**	**16.5507**	**2.73**	**16,680,263**	**15,653,769**	**6,971,866**	**45**	**6,745,064**	**43**	**105**	**105**
Alabama	3,991.8	1.7110	2.82	1,227,317	1,177,314	609,264	52	409,053	35	85	99
Kentucky	3,750.3	1.6075	2.83	1,353,109	1,255,678	661,422	53	472,907	38	75	99
Mississippi	2,589.8	1.1100	2.97	653,595	622,498	340,137	55	204,465	33	61	99
Tennessee	4,747.5	2.0350	2.76	1,637,166	1,553,251	735,652	47	652,712	42	87	98
EAST SOUTH CENTRAL	**15,079.4**	**6.4635**	**2.83**	**4,871,187**	**4,608,741**	**2,346,475**	**51**	**1,739,137**	**38**	**78**	**99**
Arkansas	2,343.7	1.0046	2.74	668,714	639,776	334,823	52	242,533	38	70	77
Louisiana	4,373.4	1.8746	2.88	1,468,972	1,292,683	571,842	44	494,814	38	70	118
Oklahoma	3,187.8	1.3664	2.65	1,172,553	1,110,132	551,505	50	408,539	37	77	78
Texas	15,297.2	6.5569	2.81	7,287,280	6,713,212	3,169,662	47	2,599,980	39	97	101
WEST SOUTH CENTRAL	**25,202.1**	**10.8025**	**2.79**	**10,597,519**	**9,755,803**	**4,627,832**	**47**	**3,745,866**	**38**	**88**	**98**
Arizona	2,973.0	1.2744	2.75	1,113,175	1,009,860	367,802	36	496,709	49	81	97
Colorado	3,099.4	1.3285	2.64	1,508,025	1,362,533	460,633	34	733,201	54	95	97
Idaho	993.9	0.4260	2.85	350,867	300,731	124,785	41	159,020	53	71	83
Montana	814.1	0.3489	2.69	365,802	265,872	97,060	37	157,304	59	75	80
Nevada	887.3	0.3803	2.55	506,076	428,280	159,840	37	240,659	56	106	586
New Mexico	1,391.7	0.5965	2.83	569,033	503,618	218,558	43	230,741	46	89	86
Utah	1,580.0	0.6773	3.22	416,723	392,565	175,567	45	196,885	50	76	85
Wyoming	514.0	0.2203	2.78	248,526	197,243	78,122	40	112,196	57	80	141
MOUNTAIN	**12,253.4**	**5.2522**	**2.77**	**5,078,227**	**4,460,702**	**1,682,367**	**38**	**2,326,715**	**52**	**86**	**127**
Alaska	454.0	0.1946	2.90	463,569	360,521	99,344	28	126,822	35	122	159
California	24,912.0	10.6781	2.68	13,900,994	12,804,353	4,779,421	37	7,079,914	55	113	96
Hawaii	1,011.0	0.4333	3.18	783,918	711,076	261,172	37	380,977	54	188	174
Oregon	2,719.0	1.1655	2.59	1,669,800	1,454,697	545,213	37	814,171	56	134	84
Washington	4,311.9	1.8482	2.62	2,712,620	2,411,061	807,892	34	1,416,752	59	127	98
PACIFIC	**33,407.9**	**14.3197**	**2.68**	**19,530,901**	**17,741,708**	**6,493,042**	**37**	**9,818,636**	**55**	**118**	**99**
United States Total	**233,298.3**	**100.0000**	**2.74**	**107,483,762**	**96,104,352**	**38,673,025**	**40**	**46,109,776**	**48**	**100**	**100**

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Sales by Metropolitan Area

This segment of the Restaurant Growth Index shows 314 Metropolitan Statistical Areas (MSAs) as defined by the U.S. Office of Federal Statistical Policy and Standards.

STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
ALABAMA											
Anniston	122.4	0.0525	2.90	43,741	42,531	22,103	52	14,565	34	93	101
Birmingham	903.1	0.3871	2.72	351,224	335,035	163,250	49	124,050	37	96	102
Dothan	126.3	0.0542	2.89	43,680	42,828	24,148	56	14,418	34	100	92
Florence	138.9	0.0596	2.76	42,024	42,024	21,840	52	14,392	34	72	85
Gadsden	104.5	0.0448	2.74	37,234	35,626	18,549	52	12,199	34	101	78
Huntsville	198.5	0.0850	2.81	108,746	102,730	53,441	52	36,512	36	155	126
Mobile	459.2	0.1969	2.85	166,060	154,760	79,014	51	52,690	34	104	106
Montgomery	285.1	0.1222	2.86	120,686	116,031	57,517	50	36,460	31	129	117
Tuscaloosa	142.2	0.0610	2.84	51,446	49,700	25,829	52	17,020	34	110	97
Non-Metro Portion of State	1,464.1	0.6273	2.87	251,111	245,196	137,954	56	83,023	34	49	91
State Total	**3,991.8**	**1.7110**	**2.82**	**1,227,317**	**1,177,314**	**609,264**	**52**	**409,053**	**35**	**85**	**99**
ALASKA											
Anchorage	196.3	0.0841	2.72	200,619	157,701	60,931	39	68,516	43	108	148
Non-Metro Portion of State	257.7	0.1105	3.06	262,950	202,820	38,413	19	58,306	29	135	168
State Total	**454.0**	**0.1946**	**2.90**	**463,569**	**360,521**	**99,344**	**28**	**126,822**	**35**	**122**	**159**
ARIZONA											
Phoenix	1,652.8	0.7084	2.68	730,636	670,368	242,028	36	318,338	47	94	109
Tucson	581.3	0.2491	2.63	192,208	173,217	70,376	41	81,913	47	68	85
Non-Metro Portion of State	738.9	0.3169	3.03	190,331	166,275	55,398	33	96,458	58	61	78
State Total	**2,973.0**	**1.2744**	**2.75**	**1,113,175**	**1,009,860**	**367,802**	**36**	**496,709**	**49**	**81**	**97**
ARKANSAS											
Fayetteville - Springdale	104.5	0.0448	2.71	44,693	42,734	23,121	54	15,738	37	106	65
Fort Smith	169.9	0.0728	2.71	75,413	72,284	38,774	54	26,629	37	95	80
Little Rock - North Little Rock	491.2	0.2106	2.74	189,403	182,916	96,427	53	68,663	38	95	102
Pine Bluff	90.4	0.0388	2.91	21,906	20,772	11,239	54	7,651	37	68	74
Texarkana	116.0	0.0497	2.71	46,894	44,531	22,003	49	16,883	38	75	79
Non-Metro Portion of State	1,433.4	0.6143	2.74	320,609	306,453	157,087	51	118,634	39	57	68
State Total	**2,343.7**	**1.0046**	**2.74**	**668,714**	**639,776**	**334,823**	**52**	**242,533**	**38**	**70**	**77**
CALIFORNIA											
Anaheim - Santa Ana	2,089.6	0.8957	2.71	1,357,780	1,287,968	483,634	38	731,358	57	128	101
Bakersfield	431.0	0.1848	2.80	217,623	199,945	79,941	40	107,843	54	89	90
Chico	156.9	0.0673	2.46	69,415	61,541	23,103	38	36,274	59	86	65
Fresno	549.8	0.2357	2.81	240,965	217,576	98,107	45	110,791	51	84	77
Los Angeles - Long Beach	7,642.9	3.2760	2.71	4,279,717	3,993,301	1,435,188	36	2,201,737	55	116	101
Modesto	289.3	0.1240	2.73	125,155	114,402	54,253	47	52,429	46	90	85
Oakland	1,813.5	0.7773	2.56	919,616	836,789	324,638	39	439,472	53	105	98
Oxnard - Ventura	578.1	0.2478	2.97	245,621	228,813	99,633	44	122,000	53	83	102
Redding	127.8	0.0548	2.60	47,819	40,340	15,141	38	23,764	59	61	62

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
CALIFORNIA *continued*											
Riverside - San Bernardino	1,705.5	0.7311	2.76	761,964	700,286	314,308	45	343,061	49	104	87
Sacramento	1,185.9	0.5083	2.53	679,270	622,058	242,798	39	334,598	54	107	88
Salinas - Seaside - Monterey	309.3	0.1325	2.98	180,045	167,235	48,137	29	108,843	65	136	98
San Diego	1,996.4	0.8557	2.70	1,090,365	993,626	411,543	41	534,826	54	124	106
San Francisco	1,499.5	0.6427	2.38	1,377,224	1,238,541	354,193	29	756,080	61	154	111
San Jose	1,371.3	0.5878	2.73	838,607	775,735	310,100	40	398,811	51	121	115
Santa Barbara - Santa Maria - Lompoc	310.8	0.1332	2.66	208,290	196,178	58,719	30	128,070	65	144	86
Santa Cruz	208.1	0.0892	2.59	113,174	104,254	39,654	38	58,985	57	101	62
Santa Rosa - Petaluma	329.7	0.1413	2.53	169,502	150,825	52,727	35	86,285	57	87	83
Stockton	369.8	0.1585	2.72	164,306	146,133	59,700	41	76,504	52	89	74
Vallejo - Fairfield - Napa	363.7	0.1559	2.77	169,383	153,088	57,721	38	88,943	58	102	91
Visalia - Tulare - Porterville	265.7	0.1139	2.98	75,682	67,705	25,420	38	39,885	59	58	71
Yuba City	107.5	0.0460	2.72	41,884	35,750	13,427	38	21,061	59	82	71
Non-Metro Portion of State	1,209.9	0.5186	2.71	527,587	472,264	177,336	38	278,294	59	85	65
State Total	**24,912.0**	**10.6781**	**2.68**	**13,900,994**	**12,804,353**	**4,779,421**	**37**	**7,079,914**	**55**	**113**	**96**
COLORADO											
Boulder - Longmont	206.2	0.0884	2.65	96,964	90,638	40,170	44	43,351	48	97	92
Colorado Springs	327.5	0.1403	2.76	120,444	111,408	55,016	49	48,550	44	87	98
Denver	1,535.6	0.6581	2.56	833,056	750,503	239,350	32	395,343	53	98	113
Fort Collins - Loveland	166.0	0.0711	2.69	72,546	68,690	23,635	34	36,695	53	105	88
Greeley	133.0	0.0570	2.82	37,320	32,555	11,203	34	17,389	53	75	88
Pueblo	127.3	0.0545	2.70	47,705	40,205	13,834	34	21,478	53	75	79
Non-Metro Portion of State	603.8	0.2591	2.71	299,990	268,534	77,425	29	170,395	63	94	76
State Total	**3,099.4**	**1.3285**	**2.64**	**1,508,025**	**1,362,533**	**460,633**	**34**	**733,201**	**54**	**95**	**97**
CONNECTICUT											
Bridgeport - Stamford - Norwalk - Danbury	813.2	0.3486	2.79	399,718	365,313	102,583	28	199,430	55	102	94
Hartford - New Britain - Middletown - Bristol	1,056.8	0.4529	2.73	578,310	531,159	188,678	36	220,215	41	115	99
New Haven - Waterbury - Meriden	766.9	0.3287	2.71	377,243	346,432	130,089	38	165,119	48	106	78
New London - Norwich	241.3	0.1035	2.82	113,728	97,672	34,641	35	51,089	52	100	92
Non-Metro Portion of State	255.9	0.1097	2.75	92,757	81,819	27,859	34	41,333	51	76	75
State Total	**3,134.1**	**1.3434**	**2.75**	**1,561,756**	**1,422,395**	**483,850**	**34**	**677,186**	**48**	**105**	**90**
DELAWARE											
Wilmington	529.2	0.2268	2.81	203,164	184,214	78,507	43	86,678	47	91	109
Non-Metro Portion of State	206.0	0.0883	2.80	89,430	82,804	31,499	38	41,896	51	83	73
State Total	**607.0**	**0.2602**	**2.78**	**243,655**	**224,935**	**95,238**	**42**	**103,575**	**46**	**87**	**96**
DISTRICT OF COLUMBIA											
Washington	3,316.1	1.4212	2.69	1,888,743	1,810,810	695,085	38	791,103	44	126	137
State Total	**613.0**	**0.2628**	**2.46**	**560,598**	**527,497**	**164,500**	**31**	**243,662**	**46**	**288**	**163**
FLORIDA											
Bradenton	163.2	0.0699	2.38	97,031	89,248	33,557	38	46,078	52	131	89
Daytona Beach	282.5	0.1211	2.39	170,824	155,541	56,296	36	81,515	52	148	97
Fort Lauderdale - Hollywood - Pompano Beach	1,107.6	0.4747	2.35	784,114	727,534	220,569	30	444,852	61	165	104

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average House-hold Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
FLORIDA *continued*											
Fort Myers	233.2	0.0999	2.41	123,757	116,108	43,658	38	59,947	52	105	98
Fort Pierce	174.4	0.0748	2.51	71,866	65,900	27,852	42	34,833	53	96	98
Fort Walton Beach	114.8	0.0493	2.81	67,672	64,446	27,290	42	34,058	53	169	96
Gainesville	184.7	0.0792	2.71	101,061	95,691	36,254	38	49,416	52	137	93
Jacksonville	751.2	0.3219	2.69	331,230	311,025	160.527	52	120,574	39	117	103
Lakeland - Winter Haven	345.3	0.1480	2.73	141,288	133,204	62,209	47	55,753	42	101	99
Melbourne - Titusville - Palm Bay	284.2	0.1218	2.56	145,685	132,675	55,285	42	65,236	49	123	102
Miami - Hialeah	1,768.0	0.7578	2.73	941,124	876,818	273,712	31	469,751	54	129	137
Ocala	137.8	0.0591	2.60	62,892	58,757	24,837	42	31,051	53	108	84
Orlando	770.1	0.3300	2.68	475,359	450,359	198,294	44	205,426	46	139	158
Panama City	104.0	0.0445	2.70	75,508	69,107	25,986	38	35,678	52	213	113
Pensacola	302.2	0.1295	2.80	138,662	120,516	61,750	51	43,240	36	114	109
Sarasota	224.5	0.0962	2.22	161,492	152,168	43,246	28	89,919	59	142	89
Tallahassee	201.8	0.0865	2.75	101,117	95,233	36,013	38	49,183	52	128	116
Tampa - St. Petersburg - Clearwater	1,742.9	0.7471	2.40	871,336	798,828	312,745	39	386,538	48	98	107
West Palm Beach - Boca Raton - Delray Beach	641.0	0.2748	2.36	386,504	347,926	99,333	29	218,981	63	126	118
Non-Metro Portion of State	1,040.1	0.4460	2.59	348,646	313,848	132,863	42	166,132	53	78	86
State Total	**10,573.5**	**4.5321**	**2.54**	**5,597,168**	**5,174,932**	**1,932,276**	**37**	**2,688,161**	**52**	**121**	**112**
GEORGIA											
Albany	116.5	0.0498	2.99	37,802	36,516	19,198	53	13,144	36	106	109
Athens	135.6	0.0581	2.80	57,422	55,047	32,409	59	18,214	33	132	92
Atlanta	2,262.4	0.9700	2.74	1,234,081	1,176,262	598,116	51	416,429	35	139	116
Augusta	361.6	0.1551	2.90	138,615	128,619	63,857	50	53,977	42	105	100
Columbus	238.5	0.1022	2.97	90,116	83,913	44,234	53	29,799	36	118	79
Macon - Warner Robins	270.2	0.1159	2.85	111,985	106,311	56,296	53	37,875	36	106	97
Savannah	225.0	0.0964	2.77	116,494	106,484	56,242	53	38,025	36	123	105
Non-Metro Portion of State	2,130.6	0.9133	2.92	515,901	495,460	292,159	59	163,757	33	67	92
State Total	**5,693.0**	**2.4403**	**2.84**	**2,284,184**	**2,171,511**	**1,155,093**	**53**	**764,322**	**35**	**107**	**104**
HAWAII											
Honolulu	792.0	0.3394	3.21	649,364	582,340	223,475	38	298,155	51	220	166
Non-Metro Portion of State	219.0	0.0939	3.08	134,554	128,736	37,697	29	82,822	64	113	197
State Total	**1,011.0**	**0.4333**	**3.18**	**783,918**	**711,076**	**261,172**	**37**	**380,977**	**54**	**188**	**174**
IDAHO											
Boise	187.8	0.0805	2.67	106,445	97,615	40,245	41	50,996	52	100	94
Non-Metro Portion of State	806.1	0.3455	2.90	244,422	203,116	84,540	42	108,024	53	63	79
State Total	**993.9**	**0.4260**	**2.85**	**350,867**	**300,731**	**124,785**	**41**	**159,020**	**53**	**71**	**83**
ILLINOIS											
Alton - Granite City	266.7	0.1143	2.74	121,148	94,843	54,248	57	34,647	37	82	82
Aurora - Elgin	326.9	0.1402	2.92	165,849	145,491	57,460	39	76,036	52	110	191
Bloomington - Normal	123.0	0.0527	2.79	67,083	59,076	23,842	40	28,149	48	122	91
Champaign - Urbana - Rantoul	168.2	0.0721	2.78	114,378	101,530	40,978	40	48,376	48	155	97
Chicago	6,029.1	2.5844	2.76	3,268,506	2,948,272	1,090,307	37	1,459,652	50	127	114
Davenport - Rock Island - Moline	390.5	0.1673	2.71	215,441	177,732	78,404	44	81,546	46	119	96
Decatur	132.4	0.0567	2.65	63,537	51,361	20,730	40	24,473	48	100	104
East St. Louis - Belleville	295.8	0.1268	2.87	125,596	99,088	51,593	52	42,335	43	102	89
Joliet	377.1	0.1616	3.06	129,907	110,097	44,117	40	56,782	52	100	103
Kankakee	104.9	0.0449	2.85	52,382	45,945	18,543	40	21,892	48	126	72

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
ILLINOIS *continued*											
Lake County	457.9	0.1963	3.05	239,321	206,081	85,246	41	94,450	46	113	97
Peoria	372.1	0.1596	2.74	187,481	158,960	75,415	47	69,534	44	105	102
Rockford	280.5	0.1202	2.74	133,122	117,105	42,453	36	63,642	54	111	100
Springfield	192.5	0.0825	2.53	95,910	81,756	33,008	40	38,970	48	93	106
Non-Metro Portion of State	2,116.9	0.9074	2.68	787,164	639,484	299,955	47	283,143	44	82	69
State Total	**11,489.5**	**4.9249**	**2.76**	**5,667,972**	**4,951,839**	**1,979,039**	**40**	**2,384,541**	**48**	**113**	**103**
INDIANA											
Anderson	138.1	0.0592	2.72	58,585	50,744	24,596	48	20,567	41	101	69
Bloomington	101.3	0.0434	2.81	45,653	41,652	20,188	48	16,881	41	116	78
Elkhart - Goshen	139.6	0.0598	2.79	81,614	71,221	32,610	46	30,859	43	113	81
Evansville	282.1	0.1209	2.65	148,654	125,667	62,390	50	48,480	39	112	104
Fort Wayne	357.7	0.1534	2.77	211,946	188,864	74,213	39	99,459	53	140	93
Gary - Hammond	641.7	0.2751	2.92	329,908	290,935	136,135	47	129,980	45	103	92
Indianapolis	1,179.2	0.5053	2.71	593,967	548,570	279,534	51	191,950	35	111	106
Kokomo	103.7	0.0444	2.71	49,305	43,590	21,128	48	17,669	41	106	74
Lafayette	123.5	0.0529	2.89	67,190	61,373	29,746	48	24,878	41	141	107
Muncie	126.6	0.0542	2.81	62,946	55,864	27,072	48	22,642	41	115	76
South Bend - Mishawaka	238.8	0.1024	2.71	135,365	118,818	49,379	42	55,667	47	125	78
Terre Haute	136.5	0.0584	2.71	64,815	55,314	26,809	48	22,422	41	108	86
Non-Metro Portion of State	1,797.9	0.7709	2.80	582,736	500,236	228,827	46	218,064	44	80	73
State Total	**5,544.1**	**2.3764**	**2.78**	**2,507,507**	**2,216,629**	**1,046,932**	**47**	**923,199**	**42**	**104**	**88**
IOWA											
Cedar Rapids	171.2	0.0734	2.66	92,841	76,783	32,290	42	37,487	49	112	114
Davenport - Rock Island - Moline	390.5	0.1673	2.71	215,441	177,732	78,404	44	81,546	46	119	96
Des Moines	375.9	0.1610	2.60	226,029	192,866	82,960	43	83,596	43	103	113
Dubuque	94.5	0.0405	3.01	53,849	43,555	18,315	42	21,266	49	115	87
Iowa City	84.4	0.0362	2.63	56,381	46,975	19,983	43	24,420	52	126	144
Sioux City	118.2	0.0506	2.70	60,474	48,350	20,259	42	23,756	49	83	101
Waterloo - Cedar Falls	164.9	0.0708	2.80	79,892	63,527	26,702	42	31,138	49	97	92
Non-Metro Portion of State	1,700.3	0.7288	2.70	677,677	542,480	230,915	43	282,154	52	86	62
State Total	**2,943.7**	**1.2617**	**2.70**	**1,391,821**	**1,134,327**	**483,968**	**43**	**561,020**	**49**	**96**	**80**
KANSAS											
Kansas City	531.4	0.2277	2.71	288,134	276,669	147,157	53	99,281	36	140	110
Lawrence	70.5	0.0302	2.75	32,663	28,815	14,871	52	11,235	39	146	84
Topeka	155.7	0.0668	2.54	90,721	84,196	43,465	52	32,832	39	120	102
Wichita	422.2	0.1810	2.59	283,675	266,621	139,624	52	95,948	36	166	82
Non-Metro Portion of State	1,235.3	0.5295	2.63	471,050	426,288	206,737	48	189,705	45	96	62
State Total	**2,415.1**	**1.0352**	**2.64**	**1,166,243**	**1,082,589**	**551,854**	**51**	**429,001**	**40**	**121**	**77**
KENTUCKY											
Clarksville - Hopkinsville	158.5	0.0679	3.12	53,104	49,227	24,422	50	19,802	40	105	88
Huntington - Ashland	341.7	0.1463	2.77	104,871	95,372	56,405	59	29,903	31	66	95
Lexington-Fayette	327.9	0.1405	2.71	179,443	169,934	90,940	54	58,615	34	104	113
Louisville	963.2	0.4129	2.73	551,995	497,898	261,312	52	178,466	36	111	104
Owensboro	86.9	0.0372	2.76	40,943	36,462	19,366	53	13,584	37	93	85
Non-Metro Portion of State	2,052.4	0.8800	2.88	474,133	454,310	248,605	55	176,378	39	53	94
State Total	**3,750.3**	**1.6075**	**2.83**	**1,353,109**	**1,255,678**	**661,422**	**53**	**472,907**	**38**	**75**	**99**
LOUISIANA											
Alexandria	139.7	0.0599	2.93	36,014	33,607	15,228	45	12,656	38	69	84

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
LOUISIANA *continued*											
Baton Rouge	528.5	0.2264	2.93	173,025	153,527	61,494	53	59,571	39	68	125
Houma - Thibodaux	187.0	0.0802	3.10	87,274	77,212	32,538	42	23,315	30	84	122
Lafayette	205.2	0.0879	2.91	87,320	77,157	34,731	45	28,440	37	86	115
Lake Charles	173.5	0.0744	2.86	63,554	57,718	26,161	45	21,732	38	59	106
Monroe	145.0	0.0622	2.87	44,961	41,027	18,593	45	15,448	38	77	89
New Orleans	1,304.9	0.5593	2.76	604,014	526,312	217,465	41	228,408	43	85	139
Shreveport	341.9	0.1465	2.76	130,291	119,935	58,034	48	42,926	36	99	107
Non-Metro Portion of State	1,347.7	0.5778	3.00	242,519	206,188	87,598	42	62,318	30	42	101
State Total	**4,373.4**	**1.8746**	**2.88**	**1,468,972**	**1,292,683**	**571,842**	**44**	**494,814**	**38**	**70**	**118**
MAINE											
Bangor	138.4	0.0593	2.91	55,813	52,532	20,853	40	27,303	52	76	105
Lewiston - Auburn	100.6	0.0432	2.75	48,590	45,748	18,158	40	23,776	52	105	82
Portland	219.4	0.0941	2.66	130,625	125,773	49,929	40	65,367	52	114	87
Non-Metro Portion of State	689.9	0.2956	2.76	270,386	258,165	102,509	40	134,219	52	93	78
State Total	**1,148.3**	**0.4922**	**2.76**	**505,414**	**482,218**	**191,449**	**40**	**250,665**	**52**	**96**	**83**
MARYLAND											
Baltimore	2,223.8	0.9533	2.79	1,061,947	909,144	422,345	46	331,791	36	95	108
Cumberland	106.7	0.0458	2.71	35,911	32,368	14,578	45	14,634	45	85	69
Hagerstown	114.3	0.0490	2.76	41,933	35,214	15,637	44	16,084	46	78	102
Non-Metro Portion of State	307.0	0.1315	2.77	149,993	135,869	60,348	44	62,020	46	94	89
State Total	**4,278.1**	**1.8338**	**2.80**	**1,991,280**	**1,778,095**	**821,671**	**46**	**694,435**	**39**	**92**	**108**
MASSACHUSETTS											
Boston - Lawrence - Salem - Lowell - Brockton	3,656.5	1.5674	2.74	2,302,334	2,092,245	633,377	30	1,082,626	52	125	110
New Bedford - Fall River - Attleboro	484.9	0.2079	2.79	229,328	204,607	84,034	41	93,776	46	94	80
Pittsfield	143.6	0.0615	2.67	73,225	61,117	23,141	38	30,711	50	69	74
Springfield	582.1	0.2495	2.79	280,220	242,190	77,145	32	113,895	47	72	86
Worcester - Fitchburg - Leominster	652.1	0.2795	2.78	280,905	252,126	81,213	32	118,498	47	86	92
Non-Metro Portion of State	245.8	0.1053	2.47	254,643	238,000	58,008	24	152,610	64	166	74
State Total	**5,765.0**	**2.4711**	**2.74**	**3,420,655**	**3,090,285**	**956,918**	**31**	**1,592,116**	**52**	**112**	**100**
MICHIGAN											
Ann Arbor	270.3	0.1158	2.76	147,116	134,727	53,086	39	66,335	49	187	122
Battle Creek	139.5	0.0597	2.68	72,596	64,219	25,307	39	31,622	49	185	82
Benton Harbor	170.5	0.0731	2.74	75,033	63,102	23,775	38	35,419	56	89	80
Detroit	4,419.8	1.8944	2.81	2,223,403	1,937,720	749,082	39	926,652	48	100	104
Flint	444.2	0.1904	2.81	208,965	176,533	72,581	41	80,645	46	100	107
Grand Rapids	614.9	0.2636	2.83	319,314	280,382	90,742	32	163,920	58	194	113
Jackson	151.3	0.0649	2.89	52,195	44,717	17,621	39	22,017	49	122	90
Kalamazoo	213.4	0.0915	2.73	114,794	105,686	43,698	41	53,268	50	162	111
Lansing - East Lansing	424.7	0.1821	2.85	216,574	184,930	84,941	46	81,694	44	136	119
Muskegon	155.4	0.0666	2.79	63,160	54,668	21,550	39	26,925	49	144	86
Saginaw - Bay City - Midland	421.2	0.1805	2.87	225,823	185,650	72,694	39	92,884	50	105	111
Non-Metro Portion of State	1,836.0	0.7871	2.83	685,159	516,824	197,482	38	285,472	55	76	75
State Total	**9,261.2**	**3.9697**	**2.82**	**4,404,132**	**3,749,158**	**1,452,559**	**39**	**1,866,853**	**50**	**105**	**99**
MINNESOTA											
Duluth	268.2	0.1150	2.65	123,729	94,417	34,743	37	54,190	57	98	87

STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average House-hold Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
MINNESOTA *continued*											
Fargo - Moorhead	143.8	0.0617	2.70	102,800	81,470	28,910	35	47,100	58	146	112
Minneapolis - St. Paul	2,193.6	0.9404	2.68	1,291,640	1,115,142	413,763	37	612,777	55	126	132
Rochester	94.7	0.0406	2.71	57,426	51,321	18,260	36	29,278	57	127	181
St. Cloud	172.9	0.0742	3.19	66,669	52,285	18,606	36	29,832	57	128	104
Non-Metro Portion of State	1,488.8	0.6380	2.78	566,113	451,676	141,873	31	280,712	62	90	69
State Total	**4,177.7**	**1.7907**	**2.73**	**2,099,540**	**1,766,340**	**627,362**	**36**	**1,007,615**	**57**	**114**	**105**
MISSISSIPPI											
Biloxi - Gulfport	189.3	0.0811	2.93	86,579	79,001	43,634	55	25,683	33	99	104
Jackson	381.8	0.1636	2.92	151,977	147,103	73,360	50	41,011	28	99	117
Pascagoula	125.8	0.0539	3.04	37,007	34,064	18,813	55	11,072	33	67	101
Non-Metro Portion of State	1,833.6	0.7860	2.98	371,708	356,006	200,959	56	124,467	35	50	93
State Total	**2,589.8**	**1.1100**	**2.97**	**653,595**	**622,498**	**340,137**	**55**	**204,465**	**33**	**61**	**99**
MISSOURI											
Columbia	105.8	0.0454	2.75	62,525	59,781	26,709	45	25,720	43	144	114
Joplin	131.5	0.0563	2.59	60,556	56,339	25,733	46	26,679	47	102	62
Kansas City	917.4	0.3934	2.60	566,865	526,115	230,976	44	221,910	42	133	115
St. Joseph	87.9	0.0376	2.62	53,005	46,628	20,839	45	20,067	43	122	88
St. Louis	1,809.6	0.7757	2.72	1,044,074	952,365	424,333	45	388,353	41	118	111
Springfield	217.7	0.0933	2.63	124,426	117,068	57,281	49	44,448	38	133	90
Non-Metro Portion of State	1,741.1	0.7463	2.71	517,676	463,835	212,464	46	220,733	48	76	66
State Total	**4,990.5**	**2.1392**	**2.68**	**2,423,053**	**2,219,218**	**996,823**	**45**	**946,669**	**43**	**109**	**94**
MONTANA											
Billings	114.6	0.0491	2.63	59,824	48,980	17,981	37	28,681	59	78	92
Great Falls	80.1	0.0344	2.65	44,375	32,274	11,850	37	18,901	59	89	83
Non-Metro Portion of State	619.4	0.2654	2.71	261,513	184,618	67,229	36	109,722	59	72	77
State Total	**814.1**	**0.3489**	**2.69**	**365,802**	**265,872**	**97,060**	**37**	**157,304**	**59**	**75**	**80**
NEBRASKA											
Lincoln	200.4	0.0859	2.61	120,335	104,581	42,848	41	53,386	51	127	109
Omaha	594.9	0.2552	2.72	368,669	299,465	121,529	41	150,634	50	124	103
Non-Metro Portion of State	873.9	0.3744	2.67	395,914	299,591	118,266	39	163,320	55	94	62
State Total	**1,600.4**	**0.6860**	**2.68**	**845,167**	**671,741**	**268,871**	**40**	**350,464**	**52**	**110**	**81**
NEVADA											
Las Vegas	514.0	0.2204	2.57	304,781	252,556	94,002	37	141,677	56	101	684
Reno	212.5	0.0911	2.44	136,761	122,873	45,962	37	69,128	56	121	401
Non-Metro Portion of State	160.8	0.0688	2.61	64,534	52,851	19,876	38	29,854	56	99	536
State Total	**887.3**	**0.3803**	**2.55**	**506,076**	**428,280**	**159,840**	**37**	**240,659**	**56**	**106**	**586**
NEW HAMPSHIRE											
Manchester - Nashua	290.8	0.1246	2.80	147,143	139,415	49,940	36	75,614	54	101	105
Portsmouth - Dover - Rochester	293.9	0.1260	2.80	168,158	162,982	57,649	35	91,163	56	95	90
Non-Metro Portion of State	385.4	0.1652	2.70	172,172	166,881	59,029	35	93,343	56	81	84
State Total	**970.1**	**0.4158**	**2.76**	**487,473**	**469,278**	**166,618**	**36**	**260,120**	**55**	**91**	**91**
NEW JERSEY											
Atlantic City	289.3	0.1240	2.59	263,739	213,696	66,979	31	132,747	62	129	222

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
NEW JERSEY *continued*											
Bergen - Passaic	1,277.8	0.5477	2.78	694,817	599,688	202,692	34	306,325	51	95	103
Jersey City	544.5	0.2334	2.63	175,688	123,754	44,500	36	59,366	48	57	110
Middlesex - Somerset - Hunterdon	895.7	0.3840	2.93	414,598	328,150	124,425	38	159,251	49	77	110
Monmouth - Ocean	898.0	0.3850	2.74	419,611	344,120	116,704	34	196,009	57	79	85
Newark	1,864.6	0.7992	2.84	780,512	635,352	202,713	32	312,382	49	73	119
Trenton	308.7	0.1323	2.84	133,245	102,699	35,179	34	51,320	50	67	116
Vineland - Millville - Bridgeton	135.9	0.0583	2.94	48,277	37,621	12,993	35	19,369	51	49	101
State Total	**7,431.3**	**3.1854**	**2.81**	**3,440,458**	**2,807,383**	**963,524**	**34**	**1,454,713**	**52**	**81**	**116**
NEW MEXICO											
Albuquerque	450.1	0.1929	2.66	227,681	206,661	88,850	43	88,267	43	119	91
Las Cruces	104.0	0.0446	3.02	38,123	31,930	13,918	44	15,223	48	93	89
Non-Metro Portion of State	837.6	0.3590	2.91	303,229	265,027	115,790	44	127,251	48	74	83
State Total	**1,391.7**	**0.5965**	**2.83**	**569,033**	**503,618**	**218,558**	**43**	**230,741**	**46**	**89**	**86**
NEW YORK											
Albany - Schenectady - Troy	850.0	0.3645	2.68	396,778	342,994	109,856	32	178,777	52	86	94
Binghamton	263.9	0.1132	2.72	111,630	93,614	33,054	35	49,125	52	79	108
Buffalo	994.7	0.4264	2.70	526,079	437,840	154,973	35	223,559	51	87	82
Elmira	97.5	0.0418	2.76	31,850	26,599	8,226	31	13,815	52	63	103
Glens Falls	112.7	0.0483	2.88	63,444	56,882	18,867	33	30,976	54	89	67
Nassau - Suffolk	2,637.4	1.1305	3.12	1,158,252	1,071,706	342,312	32	521,872	49	90	86
New York	8,118.3	3.4798	2.52	3,777,118	3,449,108	980,300	28	1,860,194	54	114	106
Niagara Falls	226.9	0.0973	2.74	114,261	95,860	33,448	35	43,328	45	97	79
Orange County	274.0	0.1175	3.03	91,949	81,075	25,381	31	45,379	56	52	77
Poughkeepsie	254.1	0.1089	2.95	87,170	77,277	23,904	31	40,130	52	58	98
Rochester	982.2	0.4210	2.74	446,271	392,181	128,757	33	203,306	52	90	106
Syracuse	648.8	0.2781	2.79	310,827	269,121	84,259	31	133,371	50	79	97
Utica - Rome	317.6	0.1361	2.79	146,114	122,184	48,212	39	53,803	44	80	76
Non-Metro Portion of State	1,731.5	0.7418	2.84	632,212	522,537	173,350	33	284,531	54	72	88
State Total	**17,509.6**	**7.5052**	**2.69**	**7,893,955**	**7,038,978**	**2,164,899**	**31**	**3,682,166**	**52**	**95**	**97**
NORTH CAROLINA											
Asheville	164.8	0.0707	2.58	73,553	69,369	35,218	51	26,485	38	112	86
Burlington	96.9	0.0424	2.64	38,150	37,253	18,903	51	14,218	38	92	96
Charlotte - Gastonia - Rock Hill	1,004.2	0.4304	2.74	385,952	372,182	189,555	51	141,867	38	100	100
Fayetteville	257.6	0.1104	3.19	85,376	77,837	39,507	51	29,709	38	114	85
Greensboro - Winston-Salem - High Point	876.0	0.3756	2.67	378,335	367,549	167,670	46	128,617	35	117	93
Hickory	210.4	0.0902	2.75	71,462	70,084	38,047	54	27,089	39	102	86
Jacksonville	116.1	0.0498	3.59	39,369	34,401	18,690	54	13,443	39	173	76
Raleigh - Durham	590.3	0.2531	2.71	273,479	265,967	121,818	46	105,916	40	129	100
Wilmington	108.6	0.0466	2.66	58,602	56,162	28,502	51	21,436	38	118	85
Non-Metro Portion of State	2,759.1	1.1824	2.81	683,654	664,655	360,676	54	259,752	39	72	82
State Total	**6,073.8**	**2.6035**	**2.78**	**2,039,230**	**1,969,223**	**995,581**	**51**	**748,515**	**38**	**95**	**89**
NORTH DAKOTA											
Bismarck	86.9	0.0373	2.78	49,494	40,718	13,480	33	23,950	59	118	122
Fargo - Moorhead	143.8	0.0617	2.70	102,800	81,470	26,910	35	47,100	58	146	112
Grand Forks	68.2	0.0293	2.89	40,826	32,253	11,433	35	18,607	58	168	117
Non-Metro Portion of State	426.6	0.1826	2.79	173,023	115,536	38,599	33	68,595	59	86	72
State Total	**675.3**	**0.2894**	**2.77**	**336,471**	**247,774**	**84,522**	**34**	**145,585**	**59**	**110**	**89**

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
OHIO											
Akron	654.1	0.2804	2.74	307,308	272,869	119,216	44	134,702	49	87	99
Canton	407.1	0.1745	2.76	173,110	151,714	64,875	43	73,002	48	78	84
Cincinnati	1,406.6	0.6029	2.73	687,832	615,180	272,331	44	266,551	43	103	102
Cleveland	1,852.6	0.7942	2.65	859,367	752,182	288,091	38	371,851	49	95	100
Columbus	1,269.8	0.5443	2.67	620,626	557,426	263,102	47	239,390	43	116	97
Dayton - Springfield	932.4	0.3996	2.68	400,420	361,665	172,637	48	151,715	42	99	89
Hamilton - Middletown	267.4	0.1146	2.86	89,169	75,330	47,256	63	22,754	30	69	93
Lima	156.9	0.0672	2.82	62,670	58,023	25,768	44	26,025	45	102	76
Lorain - Elyria	279.5	0.1198	2.93	79,091	63,199	29,737	47	26,983	43	61	97
Mansfield	131.4	0.0563	2.74	52,815	45,994	20,425	44	20,631	45	91	78
Parkersburg - Marietta	160.8	0.0690	2.75	64,707	58,902	27,983	48	24,139	41	75	90
Steubenville - Weirton	161.2	0.0692	2.76	50,128	40,216	18,819	47	16,844	42	62	90
Toledo	620.0	0.2657	2.73	316,632	281,108	115,375	41	131,563	47	106	92
Youngstown - Warren	528.9	0.2267	2.76	197,524	168,023	77,966	46	73,874	44	79	81
Non-Metro Portion of State	2,331.7	0.9994	2.84	677,663	578,365	257,314	44	260,643	45	70	75
State Total	**10,838.3**	**4.6457**	**2.74**	**4,482,732**	**3,939,874**	**1,738,274**	**44**	**1,778,144**	**45**	**91**	**91**
OKLAHOMA											
Enid	65.6	0.0281	2.57	35,268	33,868	16,699	49	13,146	39	108	70
Lawton	114.6	0.0491	3.12	34,029	31,322	15,541	50	11,565	37	82	80
Oklahoma City	905.6	0.3884	2.61	462,935	436,217	222,475	51	151,333	35	104	81
Tulsa	698.9	0.2996	2.60	276,396	263,588	125,846	48	95,390	36	78	97
Non-Metro Portion of State	1,370.0	0.5870	2.66	355,977	337,613	167,209	50	134,327	40	57	66
State Total	**3,187.8**	**1.3664**	**2.65**	**1,172,553**	**1,110,132**	**551,505**	**50**	**408,539**	**37**	**77**	**78**
OREGON											
Eugene - Springfield	277.9	0.1192	2.58	160,731	142,095	62,937	44	67,778	48	119	85
Medford	140.4	0.0602	2.64	70,721	61,484	22,545	37	36,551	59	96	77
Portland	1,135.5	0.4866	2.52	805,082	698,940	256,272	37	386,342	55	163	104
Salem	260.3	0.1116	2.69	138,895	122,711	46,012	37	68,317	56	158	68
Non-Metro Portion of State	904.9	0.3879	2.65	494,371	429,467	157,447	37	255,183	59	108	67
State Total	**2,719.0**	**1.1655**	**2.59**	**1,569,800**	**1,454,697**	**545,213**	**37**	**814,171**	**56**	**134**	**84**
PENNSYLVANIA											
Allentown - Bethlehem	647.8	0.2777	2.69	277,781	243,748	98,766	41	104,020	43	87	92
Altoona	137.0	0.0588	2.73	56,402	48,747	18,775	39	23,263	48	78	79
Beaver County	203.1	0.0870	2.77	62,621	47,299	19,380	41	22,385	47	60	121
Erie	283.9	0.1216	2.81	111,179	90,516	41,527	46	40,873	45	106	97
Harrisburg - Lebanon - Carlisle	567.9	0.2435	2.68	263,264	224,621	98,449	44	101,770	45	84	111
Johnstown	264.6	0.1134	2.80	74,638	58,227	30,226	52	22,139	38	63	103
Lancaster	374.1	0.1603	2.85	144,297	128,199	50,712	40	69,180	54	88	109
Philadelphia	4,685.9	2.0085	2.80	2,041,438	1,712,256	627,247	37	827,849	48	95	111
Pittsburgh	2,181.9	0.9354	2.64	964,371	791,317	276,501	35	398,586	50	94	106
Reading	317.5	0.1360	2.67	126,399	110,516	43,328	39	58,361	53	95	90
Scranton - Wilkes-Barre	736.2	0.3156	2.71	265,792	226,488	83,115	37	106,695	47	79	88
Sharon	128.4	0.0550	2.79	45,873	37,880	15,318	40	18,697	49	75	89
State College	115.2	0.0493	3.01	45,375	42,997	17,353	40	21,182	49	82	88
Williamsport	119.9	0.0514	2.75	35,875	28,045	10,805	39	13,383	48	55	82
York	395.5	0.1695	2.75	136,374	118,158	53,021	45	51,776	44	78	102
Non-Metro Portion of State	1,861.0	0.7978	2.80	521,615	424,051	170,723	40	209,137	49	68	84
State Total	**11,869.2**	**5.0876**	**2.74**	**4,685,552**	**3,929,209**	**1,504,380**	**38**	**1,882,309**	**48**	**87**	**100**
RHODE ISLAND											
Providence - Pawtucket - Woonsocket	874.9	0.3750	2.71	362,413	323,443	103,857	32	177,382	55	98	84

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average House-hold Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
RHODE ISLAND *continued*											
Non-Metro Portion of State	81.1	0.0347	2.78	57,221	47,629	14,069	30	28,202	59	173	53
State Total	**956.0**	**0.4097**	**2.71**	**419,634**	**371,072**	**117,926**	**32**	**205,584**	**55**	**104**	**81**
SOUTH CAROLINA											
Anderson	140.4	0.0602	2.78	41,096	39,339	19,568	50	16,185	41	71	82
Charleston	455.4	0.1951	3.03	173,316	164,144	84,498	51	53,925	33	121	119
Charlotte - Gastonia - Rock Hill	1,004.2	0.4304	2.74	385,952	372,182	189,555	51	141,867	38	100	100
Columbia	425.8	0.1825	2.95	181,794	172,816	88,958	51	60,760	35	121	101
Florence	115.0	0.0493	2.99	33,185	32,557	16,225	50	13,421	41	83	114
Greenville - Spartanburg	592.3	0.2537	2.80	263,829	253,784	136,640	54	90,950	36	116	91
Non-Metro Portion of State	1,294.2	0.5550	2.99	352,942	337,852	168,118	50	138,972	41	82	110
State Total	**3,244.3**	**1.3907**	**2.94**	**1,119,657**	**1,070,302**	**548,633**	**51**	**403,200**	**38**	**99**	**105**
SOUTH DAKOTA											
Sioux Falls	114.3	0.0489	2.63	74,863	64,389	22,408	35	38,129	59	138	110
Non-Metro Portion of State	590.0	0.2529	2.79	274,447	214,462	65,865	31	133,095	62	99	72
State Total	**704.3**	**0.3018**	**2.76**	**349,310**	**278,851**	**88,273**	**32**	**171,224**	**61**	**106**	**78**
TENNESSEE											
Chattanooga	437.4	0.1873	2.76	146,007	139,308	68,142	49	60,730	44	85	104
Clarksville - Hopkinsville	158.5	0.0679	3.12	53,104	49,227	24,422	50	19,802	40	105	88
Johnson City - Kingsport - Bristol	445.6	0.1909	2.74	142,406	137,881	79,608	58	39,258	28	78	90
Knoxville	587.2	0.2516	2.68	250,747	238,571	124,782	52	90,910	38	105	107
Memphis	931.8	0.3993	2.84	340,440	320,781	150,330	47	127,301	40	86	102
Nashville	889.8	0.3816	2.75	430,271	411,539	168,963	41	194,300	47	112	111
Non-Metro Portion of State	1,676.7	0.7189	2.78	354,371	332,467	161,928	49	146,639	44	57	83
State Total	**4,747.5**	**2.0350**	**2.76**	**1,637,166**	**1,553,251**	**735,652**	**47**	**652,712**	**42**	**87**	**98**
TEXAS											
Abilene	115.9	0.0497	2.79	55,337	53,026	25,290	48	20,320	38	95	82
Amarillo	184.5	0.0791	2.62	133,520	120,582	57,506	48	46,205	38	112	79
Austin	588.9	0.2526	2.64	355,412	319,418	147,400	46	130,385	41	119	89
Beaumont - Port Arthur	388.4	0.1665	2.78	199,496	185,199	92,520	50	66,996	36	94	102
Brazoria	190.9	0.0819	3.05	62,168	56,787	32,378	57	18,941	33	60	125
Brownsville - Harlingen	232.0	0.0995	3.48	70,073	64,096	30,570	48	24,563	38	67	113
Bryan - College Station	104.8	0.0449	2.74	54,657	51,158	24,399	48	19,603	38	174	95
Corpus Christi	340.0	0.1458	3.03	136,869	120,018	53,375	44	51,229	43	74	92
Dallas	2,090.8	0.8963	2.67	1,307,293	1,232,286	537,391	44	475,940	39	138	115
El Paso	520.3	0.2230	3.32	193,730	161,303	69,069	43	69,638	43	85	104
Fort Worth - Arlington	1,039.8	0.4456	2.72	655,397	611,879	306,098	50	200,648	33	164	98
Galveston - Texas City	205.4	0.0880	2.75	97,101	88,348	42,137	48	33,856	38	70	100
Houston	3,028.0	1.2979	2.72	1,775,585	1,632,166	775,154	47	642,393	39	105	139
Killeen - Temple	233.0	0.0999	3.14	75,527	71,488	34,098	48	27,396	38	94	94
Laredo	109.0	0.0467	3.75	38,904	35,669	17,012	48	13,667	38	73	122
Longview - Marshall	163.5	0.0701	2.75	71,037	67,654	32,272	48	25,927	38	75	73
Lubbock	222.2	0.0952	2.80	126,850	117,539	56,058	48	45,044	38	113	85
McAllen - Edinburg - Mission	319.3	0.1368	3.63	74,223	64,746	37,420	58	18,594	29	51	105
Midland	90.6	0.0389	2.71	43,886	40,726	19,424	48	15,608	38	78	99
Odessa	125.7	0.0539	2.73	96,347	87,879	41,912	48	33,677	38	112	109
San Angelo	90.4	0.0387	2.72	46,415	41,446	19,765	48	15,883	38	83	85
San Antonio	1,130.1	0.4844	2.97	542,181	489,589	215,706	44	198,411	41	103	95
Sherman - Denison	92.5	0.0397	2.58	29,396	28,975	13,819	48	11,104	38	73	85
Texarkana	116.0	0.0497	2.71	46,894	44,531	22,003	49	16,888	38	75	79

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average House-hold Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
TEXAS *continued*											
Tyler	139.3	0.0597	2.73	59,615	58,084	27,700	48	22,258	38	82	103
Victoria	74.7	0.0320	2.92	39,614	34,047	17,378	51	14,080	41	88	94
Waco	178.9	0.0767	2.71	82,952	75,547	36,032	48	28,951	38	88	78
Wichita Falls	122.6	0.0525	2.74	65,674	60,178	28,702	48	23,061	38	108	75
Non-Metro Portion of State	3,098.1	1.3277	2.80	764,923	710,746	363,518	51	293,097	41	53	71
State Total	**15,297.2**	**6.5569**	**2.81**	**7,287,280**	**6,713,212**	**3,169,662**	**47**	**2,599,980**	**39**	**97**	**101**
UTAH											
Provo - Orem	242.2	0.1039	3.70	43,612	41,745	19,114	46	20,484	49	64	89
Salt Lake City - Ogden	974.4	0.4177	3.09	273,455	256,663	123,090	48	119,361	47	76	86
Non-Metro Portion of State	363.4	0.1557	3.30	99,656	94,157	33,363	35	57,040	61	80	80
State Total	**1,580.0**	**0.6773**	**3.22**	**416,723**	**392,565**	**175,567**	**45**	**196,885**	**50**	**76**	**85**
VERMONT											
Burlington	122.9	0.0527	2.88	71,067	65,344	18,129	28	37,466	57	125	107
Non-Metro Portion of State	400.2	0.1715	2.74	158,067	145,977	40,497	28	83,698	57	86	86
State Total	**523.1**	**0.2242**	**2.77**	**229,134**	**211,321**	**58,626**	**28**	**121,164**	**57**	**95**	**90**
VIRGINIA											
Charlottesville	119.6	0.0511	2.78	44,897	44,653	22,180	50	16,940	38	95	85
Danville	112.8	0.0484	2.73	31,861	31,158	15,437	50	11,790	38	66	83
Lynchburg	145.2	0.0623	2.87	43,821	43,123	20,006	46	17,084	40	72	93
Norfolk - Virginia Beach - Newport News	1,195.9	0.5127	2.91	582,160	559,822	274,438	49	222,559	40	127	100
Richmond - Petersburg	784.3	0.3361	2.75	353,607	343,978	159,032	46	133,179	39	105	97
Roanoke	223.9	0.0961	2.63	104,295	101,793	47,229	46	40,526	40	99	88
Non-Metro Portion of State	1,656.7	0.7104	2.87	407,945	400,723	198,724	50	151,993	38	62	92
State Total	**5,541.7**	**2.3754**	**2.79**	**2,244,128**	**2,189,090**	**980,352**	**45**	**891,540**	**41**	**98**	**104**
WASHINGTON											
Bellingham	112.4	0.0482	2.64	86,521	84,336	28,614	34	51,807	61	197	79
Bremerton	159.6	0.0684	2.73	62,195	54,659	18,551	34	33,578	61	79	128
Olympia	137.3	0.0589	2.61	64,464	58,039	19,693	34	35,657	61	98	86
Richland - Kennewick - Pasco	159.4	0.0683	2.75	94,710	82,869	28,240	34	48,437	58	93	125
Seattle	1,656.1	0.7099	2.54	1,373,991	1,248,838	386,543	31	741,107	59	151	110
Spokane	353.9	0.1517	2.60	202,246	178,970	73,441	41	95,325	53	122	108
Tacoma	507.8	0.2177	2.71	250,265	215,427	82,465	38	119,200	55	121	91
Vancouver	205.6	0.0882	2.73	100,640	84,966	33,843	40	46,040	54	129	95
Yakima	179.3	0.0769	2.75	81,831	71,082	24,225	34	41,546	58	99	77
Non-Metro Portion of State	840.5	0.3600	2.64	395,757	331,875	112,277	34	204,055	61	94	76
State Total	**4,311.9**	**1.8482**	**2.62**	**2,712,620**	**2,411,061**	**807,892**	**34**	**1,416,752**	**59**	**127**	**98**
WEST VIRGINIA											
Charleston	270.3	0.1158	2.64	113,795	107,805	52,892	49	42,113	39	82	114
Huntington - Ashland	341.7	0.1463	2.77	104,871	95,372	56,405	59	29,903	31	66	95
Parkersburg - Marietta	160.8	0.0690	2.75	64,707	58,902	27,983	48	24,139	41	75	90
Steubenville - Weirton	161.2	0.0692	2.76	50,128	40,216	18,819	47	16,844	42	62	90
Wheeling	185.1	0.0794	2.68	86,661	73,028	34,491	47	30,197	41	93	90
Non-Metro Portion of State	1,267.9	0.5434	2.84	297,219	272,273	136,972	50	103,768	38	49	99
State Total	**1,987.5**	**0.8519**	**2.79**	**600,363**	**548,184**	**278,522**	**51**	**206,654**	**38**	**62**	**100**

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STATE Metro Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
WISCONSIN											
Appleton - Oshkosh - Neenah	295.8	0.1267	2.81	135,971	102,464	38,011	37	57,789	56	98	91
Eau Claire	135.4	0.0580	2.86	78,324	54,840	19,171	35	31,562	58	138	93
Green Bay	179.8	0.0771	2.80	95,976	73,825	25,806	35	42,488	58	109	94
Janesville - Beloit	141.3	0.0606	2.75	62,354	48,792	15,058	31	30,743	63	83	81
Kenosha	124.1	0.0532	2.76	52,674	37,362	13,060	35	21,503	58	88	85
La Crosse	93.9	0.0402	2.75	70,923	55,659	19,455	35	32,033	58	177	77
Madison	332.4	0.1425	2.58	233,541	190,350	77,806	41	101,004	53	163	120
Milwaukee	1,401.7	0.6009	2.70	794,135	636,221	226,267	36	350,612	55	107	106
Racine	174.1	0.0746	2.82	73,508	57,412	20,070	35	33,041	58	85	89
Sheboygan	102.4	0.0439	2.79	40,721	28,623	8,835	31	18,036	63	67	91
Wausau	115.4	0.0494	2.84	41,915	29,347	9,071	31	18,523	63	74	112
Non-Metro Portion of State	1,609.8	0.6900	2.80	691,935	467,551	144,383	31	294,845	63	91	89
State Total	**4,796.8**	**2.0561**	**2.76**	**2,407,666**	**1,803,150**	**624,776**	**35**	**1,044,020**	**58**	**103**	**89**
WYOMING											
Casper	78.8	0.0338	2.71	47,402	37,846	14,983	40	21,515	57	75	174
Non-Metro Portion of State	435.2	0.1865	2.79	201,124	159,397	63,139	40	90,681	57	82	136
State Total	**514.0**	**0.2203**	**2.78**	**248,526**	**197,243**	**78,122**	**40**	**112,196**	**57**	**80**	**141**
United States Total	**233,298.3**	**100.0000**	**2.74**	**107,483,762**	**96,104,352**	**38,673,025**	**40**	**46,109,776**	**48**	**100**	**100**

Sales by Area of Dominant Influence (ADI)

This 11th installment of the ADI Report shows 209 areas of dominant influence for a TV signal. Each area includes major cities and nearby counties.

ADI Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Abilene - Sweetwater	305.3	0.1303	2.67	101,576	95,978	46,954	49	38,066	40	71	75
Albany, Ga.	373.7	0.1599	2.95	89,039	86,292	48,697	56	29,543	34	69	94
Albany - Schenectady - Troy	1,295.6	0.5554	2.71	595,375	514,128	168,585	33	269,928	53	82	85
Albuquerque	1,159.7	0.4969	2.88	475,300	423,189	178,006	42	197,934	47	92	89
Alexandria, La.	256.9	0.1102	3.01	48,814	41,806	18,679	45	15,181	36	49	97
Alexandria, Minn.	176.4	0.0756	2.82	65,665	51,482	16,221	32	32,092	62	86	66
Alpena	42.7	0.0183	2.70	19,437	14,518	5,471	38	8,117	56	74	66
Amarillo	485.3	0.2081	2.71	224,874	207,043	99,952	48	83,346	40	86	73
Anniston	122.4	0.0525	2.90	43,741	42,531	22,103	52	14,565	34	93	101
Ardmore - Ada	184.8	0.0792	2.65	41,894	39,677	19,585	49	15,551	39	50	70
Atlanta	3,085.3	1.3227	2.77	1,473,063	1,408,516	734,828	52	493,038	35	125	108
Augusta	594.2	0.2547	2.95	159,415	149,146	75,449	51	61,510	41	78	101
Austin, Tex.	713.2	0.3060	2.64	388,513	350,556	163,326	47	143,242	41	110	86
Bakersfield	431.0	0.1848	2.80	217,623	199,945	79,941	40	107,843	54	89	90
Baltimore	2,383.3	1.0216	2.79	1,125,697	967,313	445,924	46	361,570	37	94	106
Bangor	310.5	0.1331	2.82	113,908	109,059	43,301	40	56,698	52	75	84

For information circle number 88 for Quaker Oat's (sectional) ➔

ADI Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Baton Rouge	736.7	0.3166	3.01	218,796	191,879	97,846	51	71,232	37	64	126
Beaumont - Port Arthur	471.1	0.2019	2.77	211,449	196,811	98,613	50	71,795	36	83	98
Bend	66.7	0.0295	2.65	39,448	35,582	13,053	37	21,154	59	94	84
Billings - Hardin	205.5	0.0880	2.68	94,666	73,827	27,108	37	43,460	59	75	87
Biloxi - Gulfport - Pascagoula	172.7	0.0740	2.93	84,509	77,724	42,934	55	25,269	33	110	101
Binghamton	426.8	0.1830	2.77	145,685	120,557	42,612	35	63,332	53	66	98
Birmingham	1,336.4	0.5726	2.76	439,122	420,647	210,244	50	153,095	36	85	97
Bluefield - Beckley - Oak Hill	396.6	0.1701	2.84	101,389	95,508	47,954	50	36,199	38	46	107
Boise	405.4	0.1737	2.77	170,975	151,435	61,911	41	80,621	53	83	79
Boston	5,351.6	2.2939	2.74	3,237,335	2,969,761	907,327	31	1,570,512	53	117	102
Bowling Green	142.5	0.0611	2.82	44,727	40,687	22,412	55	15,734	39	64	94
Bristol - Kingsport - Johnson City	754.4	0.3233	2.80	190,449	184,740	102,782	56	57,969	31	64	94
Buffalo	1,767.2	0.7573	2.75	825,183	683,007	239,457	35	346,949	51	86	81
Burlington - Plattsburgh	679.5	0.2912	2.83	286,447	257,921	76,976	30	145,756	57	85	96
Casper - Riverton	160.6	0.0689	2.82	82,317	61,925	24,523	40	35,221	57	70	145
Cedar Rapids - Waterloo - Dubuque	907.2	0.3891	2.78	422,533	335,303	139,674	42	170,997	51	103	85
Charleston, S.C.	571.7	0.2450	3.05	203,454	192,527	98,599	51	65,584	34	115	114
Charleston - Huntington	1,516.4	0.6494	2.84	390,798	354,090	182,374	52	135,199	38	55	96
Charlotte	1,775.1	0.7608	2.77	599,486	578,629	300,529	52	222,784	39	93	96
Chattanooga	803.3	0.3441	2.80	231,562	221,365	111,868	51	92,580	42	72	98
Cheyenne	132.4	0.0566	2.64	60,482	52,908	20,891	39	29,421	56	94	106
Chicago	8,475.6	3.6331	2.81	4,423,948	3,937,026	1,515,868	39	1,927,436	49	121	110
Chico - Redding	371.5	0.1593	2.54	144,708	126,430	47,425	38	74,537	59	74	63
Cincinnati	1,939.0	0.8311	2.77	837,317	740,517	343,715	46	310,787	42	93	97
Clarksburg - Weston	249.8	0.1070	2.79	61,566	57,760	29,074	50	22,082	38	57	82
Cleveland	3,856.2	1.6532	2.73	1,643,159	1,435,231	589,261	41	693,830	48	87	95
Colorado Springs - Pueblo	552.2	0.2366	2.74	190,012	170,559	74,366	44	82,066	48	80	87
Columbia, S.C.	752.2	0.3227	3.00	253,718	242,182	123,465	51	89,144	37	102	102
Columbia - Jefferson City	388.9	0.1668	2.76	160,046	147,749	66,932	45	67,541	46	100	94
Columbus, Ga.	538.9	0.2306	2.92	153,771	145,693	79,785	55	50,519	35	94	97
Columbus - Tupelo	440.6	0.1887	2.94	89,448	84,783	47,942	57	29,675	35	51	98
Columbus, Ohio	1,616.9	0.6931	2.70	719,511	643,636	301,500	47	278,000	43	108	93
Corpus Christi	491.6	0.2109	3.04	181,913	161,498	74,311	46	68,430	42	66	83
Dallas - Ft. Worth	3,826.0	1.6402	2.67	2,129,098	2,002,045	923,724	46	740,235	37	128	104
Davenport - Rock Island - Moline	887.6	0.3800	2.72	420,728	337,730	150,027	44	158,079	47	105	85
Dayton	1,302.3	0.5580	2.71	518,268	468,183	221,244	47	198,656	42	95	85
Denver	2,428.2	1.0409	2.60	1,275,830	1,146,294	377,177	33	619,431	54	99	101
Des Moines	957.6	0.4102	2.65	463,104	388,589	166,075	43	185,353	48	94	82
Detroit	4,690.1	2.0102	2.81	2,370,519	2,072,447	802,168	39	992,987	48	104	105
Dothan	275.4	0.1182	2.86	67,977	66,460	35,829	54	24,941	38	68	93
Duluth - Superior	478.6	0.2051	2.68	207,357	156,831	54,481	35	92,874	59	90	78
El Centro - Yuma	196.2	0.0842	3.07	64,882	56,674	20,146	36	33,159	59	66	72
El Paso	647.1	0.2774	3.25	237,405	197,899	85,228	43	87,096	44	85	100
Elmira	239.3	0.1027	2.78	79,152	64,086	21,225	33	33,801	53	69	94
Erie	374.8	0.1605	2.81	139,502	113,406	50,785	45	52,172	46	99	94
Eugene	438.5	0.1880	2.62	252,254	219,319	91,254	42	113,675	52	115	80
Eureka	148.9	0.0638	2.52	75,546	65,651	24,577	37	38,718	59	85	58
Evansville	713.0	0.3058	2.72	275,450	237,001	118,792	50	92,965	39	82	94
Fargo	586.9	0.2517	2.76	284,574	217,939	74,578	34	128,432	59	112	82
Flint - Saginaw - Bay City	1,280.1	0.5486	2.86	567,392	460,776	183,804	40	226,487	49	92	98
Florence, S.C.	388.8	0.1666	2.97	162,396	155,807	77,566	50	64,210	41	117	114
Ft. Myers - Naples	428.2	0.1936	2.41	215,347	198,787	78,562	40	103,758	52	104	92
Ft. Smith	354.8	0.1521	2.72	129,868	124,421	66,619	54	45,967	37	88	71

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ADI Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Ft. Wayne	663.3	0.2844	2.81	311,853	274,192	112,694	41	138,722	51	115	83
Fresno	1,120.4	0.4803	2.89	422,710	381,400	159,606	42	207,328	54	78	76
Gainesville	199.6	0.0856	2.68	100,883	95,171	36,074	38	49,245	52	126	84
Glendive	17.5	0.0076	2.65	8,263	5,517	2,088	38	3,304	60	64	94
Grand Junction	146.6	0.0629	2.71	56,361	53,100	15,447	29	33,498	63	80	76
Grand Rapids - Kalamazoo - Battle Creek	1,624.1	0.6961	2.82	710,208	609,464	221,893	36	331,946	54	136	98
Great Falls	176.4	0.0756	2.70	78,001	55,304	20,297	37	32,709	59	75	71
Green Bay	989.2	0.4239	2.80	459,786	337,166	115,833	34	199,430	59	100	79
Greensboro - Winston-Salem - High Point	1,272.4	0.5456	2.69	479,600	466,998	220,295	47	167,179	36	104	91
Greenville - New Bern - Washington	631.4	0.2704	2.94	182,786	171,887	93,443	54	67,219	39	86	83
Greenville - Spartanburg - Asheville	1,607.3	0.6888	2.76	531,992	511,571	270,750	53	191,642	37	88	86
Greenwood - Greenville	217.7	0.0933	3.19	37,653	36,316	20,445	56	12,637	35	42	90
Harrisburg - York - Lancaster - Lebanon	1,404.6	0.6021	2.75	561,604	486,237	208,325	43	230,219	47	83	107
Harrisonburg	108.6	0.0465	2.92	31,242	29,381	14,598	50	11,138	38	68	83
Hartford - New Haven	2,226.1	0.9542	2.73	1,126,571	1,024,901	370,309	36	461,498	45	107	89
Helena	46.0	0.0197	2.58	24,501	18,212	6,572	36	10,781	59	82	114
Houston	3,736.9	1.6018	2.74	2,034,727	1,865,840	895,173	48	731,401	39	97	131
Huntsville - Decatur - Florence	688.8	0.2952	2.79	215,760	209,055	110,305	53	73,341	35	84	97
Idaho Falls - Pocatello	325.3	0.1394	3.01	112,410	98,311	40,550	41	52,958	54	67	95
Indianapolis	2,240.5	0.9602	2.74	1,007,220	911,057	450,646	49	343,488	38	104	90
Jackson, Miss.	816.9	0.3501	2.96	228,531	219,767	114,614	52	66,553	30	69	108
Jackson, Tenn.	151.3	0.0648	2.71	43,064	40,087	19,470	49	17,639	44	67	88
Jacksonville	1,049.4	0.4498	2.74	426,286	399,651	207,451	52	156,086	39	107	105
Johnstown - Altoona	806.7	0.3459	2.82	259,038	216,167	93,084	43	99,211	46	71	93
Jonesboro	183.2	0.0782	2.69	44,937	43,482	22,208	51	16,956	39	61	58
Joplin - Pittsburg	453.4	0.1940	2.59	168,201	159,166	76,568	48	70,461	44	97	59
Kansas City	1,906.0	0.8171	2.65	992,995	920,813	434,691	47	373,738	41	126	103
Knoxville	1,134.1	0.4862	2.76	366,476	350,348	181,612	52	138,072	39	76	98
La Crosse - Eau Claire	453.8	0.1944	2.82	226,395	160,031	53,990	34	94,671	59	118	81
Lafayette, Ind.	133.4	0.0571	2.88	69,517	63,366	30,657	48	25,741	41	136	104
Lafayette, La.	551.8	0.2364	2.96	153,743	132,270	58,018	44	44,981	34	59	100
Lake Charles	215.0	0.0922	2.89	70,190	62,655	28,214	45	23,233	37	55	104
Lansing	618.9	0.2654	2.87	279,167	238,795	106,012	44	108,847	46	126	109
Laredo	116.5	0.0500	3.71	40,258	37,023	17,718	48	14,240	38	73	112
Las Vegas	518.1	0.2221	2.58	306,343	253,702	94,438	37	142,332	56	101	678
Laurel - Hattiesburg	247.3	0.1060	2.90	80,242	76,960	43,367	56	26,816	35	79	93
Lexington	863.2	0.3701	2.83	318,953	306,927	165,860	54	111,797	36	79	104
Lima	113.1	0.0485	2.81	47,201	43,457	19,298	44	19,493	45	101	77
Lincoln - Hastings - Kearney	678.9	0.2911	2.63	337,710	268,419	108,438	40	141,620	53	109	74
Little Rock	1,239.0	0.5313	2.74	356,618	342,197	178,326	52	130,191	38	73	84
Los Angeles	11,302.8	4.8448	2.73	6,309,247	5,894,841	2,218,590	38	3,221,636	55	116	100
Louisville	1,429.0	0.6124	2.79	667,483	602,739	314,864	52	221,026	37	98	100
Lubbock	448.7	0.1924	2.85	185,388	172,655	83,648	48	68,294	40	86	74
Macon	424.0	0.1821	2.91	143,072	136,806	74,350	54	47,996	35	87	93
Madison	520.1	0.2230	2.63	319,631	249,035	95,955	39	136,065	55	137	95
Mankato	90.9	0.0389	2.71	56,783	45,023	14,607	32	27,474	61	100	66
Marquette	161.8	0.0693	2.86	68,530	47,737	17,894	37	26,864	56	75	87
McAllen - Brownsville	600.6	0.2574	3.59	149,046	133,118	70,157	53	44,912	34	56	107
Medford	314.6	0.1348	2.63	146,619	127,604	46,889	37	75,757	59	88	64

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ADI Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Memphis	1,656.9	0.7104	2.87	461,789	433,040	208,603	48	171,404	40	69	93
Meridian	210.2	0.0901	2.90	45,688	44,148	24,952	57	15,242	35	53	100
Miami	2,941.3	1.2606	2.56	1,780,026	1,651,352	514,154	31	939,443	57	144	121
Milwaukee	1,896.9	0.8131	2.74	1,008,040	797,439	278,397	35	449,070	56	102	100
Minneapolis - St. Paul	3,147.1	1.3492	2.74	1,656,152	1,393,983	502,900	36	784,003	56	120	113
Minot - Bismarck - Dickinson	390.9	0.1674	2.81	170,463	117,700	39,394	33	70,246	60	89	90
Missoula - Butte	323.2	0.1385	2.69	146,008	104,302	37,840	36	61,740	59	79	76
Mobile - Pensacola	1,151.0	0.4936	2.88	427,794	390,823	196,515	50	146,845	38	100	104
Monroe - El Dorado	530.6	0.2275	2.87	102,399	93,257	42,299	45	33,012	35	51	84
Montgomery	491.7	0.2108	2.88	151,255	145,737	74,385	51	46,492	32	91	110
Nashville	1,789.5	0.7676	2.78	637,742	607,644	266,934	44	277,302	46	88	101
New Orleans	1,731.9	0.7422	2.83	751,304	656,701	273,852	42	268,159	41	80	133
New York	17,831.3	7.6433	2.71	8,115,470	7,175,850	2,199,507	31	3,754,386	52	95	103
Norfolk - Portsmouth - Newport News - Hampton	1,444.7	0.6193	2.89	653,474	629,014	310,926	49	249,318	40	116	97
North Platte	43.5	0.0189	2.69	22,403	19,760	7,699	39	10,724	54	108	94
Odessa - Midland	360.2	0.1544	2.81	196,656	180,234	87,869	49	70,690	39	88	90
Oklahoma City	1,482.6	0.6356	2.62	637,932	603,207	304,896	51	217,849	36	89	75
Omaha	924.6	0.3966	2.70	489,285	392,575	159,914	41	200,186	51	109	84
Orlando - Daytona Beach	1,628.5	0.6980	2.58	902,836	840,648	353,034	42	406,137	48	129	125
Ottumwa - Kirksville	66.6	0.0286	2.64	21,901	18,744	8,524	45	9,075	48	89	62
Paducah - Cape Girardeau - Harrisburg	887.0	0.3804	2.63	300,199	269,803	130,883	49	118,631	44	74	75
Palm Springs	732.1	0.3138	2.68	349,610	327,871	118,807	36	183,794	56	101	90
Panama City	174.8	0.0748	2.71	85,500	78,177	29,850	38	40,674	52	129	106
Parkersburg	102.9	0.0441	2.73	43,276	40,219	19,750	49	15,711	39	78	97
Peoria	588.0	0.2521	2.74	277,920	234,469	106,980	46	105,044	45	102	93
Philadelphia	6,976.1	2.9901	2.78	3,154,600	2,663,333	975,621	37	1,309,192	49	94	116
Phoenix	2,097.5	0.8991	2.73	855,122	780,993	278,886	36	382,512	49	87	101
Pittsburgh	3,214.7	1.3782	2.69	1,270,377	1,039,580	383,295	37	513,169	49	84	105
Portland, Ore.	2,124.2	0.9105	2.58	1,324,331	1,150,578	424,563	37	646,428	56	149	90
Portland - Poland Spring	821.2	0.3521	2.70	401,703	383,437	150,640	39	200,737	52	108	81
Presque Isle	89.1	0.0381	2.98	27,152	25,126	9,978	40	13,058	52	69	83
Providence - New Bedford	1,545.6	0.6624	2.74	699,238	621,735	218,261	35	322,587	52	100	80
Quincy - Hannibal	333.3	0.1427	2.68	114,786	90,890	41,920	46	42,049	46	76	64
Raleigh - Durham	1,651.5	0.7079	2.84	559,088	540,407	267,690	50	212,333	39	100	92
Rapid City	270.4	0.1157	2.81	155,837	126,632	42,250	33	76,323	60	103	103
Reno	377.0	0.1614	2.52	206,350	181,328	67,949	37	102,519	57	117	412
Richmond	1,240.0	0.5315	2.79	477,240	465,242	219,195	47	179,133	39	94	95
Roanoke - Lynchburg	1,010.8	0.4333	2.80	307,496	301,777	144,949	48	117,208	39	75	93
Rochester, N.Y.	943.0	0.4042	2.73	439,791	386,827	126,936	33	200,546	52	92	106
Rochester - Mason City - Austin	388.3	0.1662	2.65	170,859	144,604	53,768	37	81,648	56	102	82
Rockford	518.5	0.2222	2.73	225,053	191,517	69,460	36	105,731	55	97	92
Roswell	161.9	0.0694	2.79	60,300	53,726	23,599	44	25,345	47	68	85
Sacramento - Stockton	2,389.9	1.0243	2.62	1,206,979	1,094,042	436,335	40	587,186	54	99	82
St. Joseph	129.5	0.0554	2.60	63,855	56,421	25,300	45	24,780	44	111	75
St. Louis	2,666.7	1.2291	2.74	1,440,331	1,273,203	589,047	46	523,091	41	105	99
Salinas - Monterey	544.7	0.2334	2.82	298,872	276,270	89,585	32	170,706	62	116	83
Salisbury	221.7	0.0950	2.71	135,888	123,431	52,321	42	58,327	47	103	79
Salt Lake City	1,733.6	0.7433	3.09	472,439	436,259	192,786	44	221,674	51	75	93
San Angelo	101.0	0.0434	2.76	52,399	47,340	22,933	48	18,320	39	86	88
San Antonio	1,503.4	0.6445	2.98	622,007	560,450	252,108	45	227,706	41	91	87
San Diego	1,996.4	0.8557	2.70	1,090,365	993,626	411,543	41	534,826	54	124	106
San Francisco	5,233.4	2.2431	2.54	3,412,469	3,096,307	1,077,175	35	1,735,907	56	122	104

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ADI Name	12/31/82 Population (Thous.)	% Of U.S.	Average Household Size	1982 Eating & Drinking Place Sales ($000)	Eating Place Sales ($000)	Fast Food Sales ($000)	Fast Food Market Share (%)	Restaurant Sales ($000)	Restaurant Market Share (%)	RAI	RGI
Santa Barbara - Santa Maria - San Luis Obispo	481.8	0.2065	2.63	313,216	295,414	96,030	33	186,517	63	135	82
Savannah	576.3	0.2471	2.95	209,323	191,746	103,450	54	69,021	36	98	112
Seattle - Tacoma	2,943.5	1.2617	2.59	2,031,874	1,828,643	592,598	32	1,084,185	59	135	100
Selma	52.8	0.0226	2.98	12,094	11,563	6,541	57	3,890	34	63	84
Shreveport - Texarkana	1,235.8	0.5296	2.76	355,630	333,304	162,171	49	124,208	37	67	92
Sioux City	407.1	0.1746	2.71	176,355	136,177	56,808	42	70,081	51	85	71
Sioux Falls - Mitchell	644.4	0.2759	2.73	288,636	227,586	74,338	33	138,490	61	103	71
South Bend - Elkhart	785.3	0.3367	2.77	365,746	313,094	131,882	42	149,563	48	103	76
Spokane	884.3	0.3790	2.67	404,734	337,605	131,752	39	187,759	56	92	87
Springfield, Mass.	648.3	0.2779	2.76	310,228	268,104	86,976	32	127,054	47	75	85
Springfield, Mo.	733.4	0.3145	2.66	263,798	245,719	117,857	48	103,547	42	93	65
Springfield - Decatur - Champaign	889.6	0.3813	2.67	444,006	373,424	159,851	43	173,160	46	104	92
Syracuse	945.2	0.4051	2.81	405,755	351,683	111,674	32	178,321	51	76	91
Tallahassee	461.9	0.1983	2.84	169,603	161,757	72,207	45	74,384	46	97	105
Tampa - St. Petersburg	2,633.9	1.1289	2.43	1,307,285	1,206,733	465,845	39	595,906	49	102	102
Terre Haute	439.5	0.1881	2.65	140,014	117,598	55,837	47	49,641	42	76	73
Toledo	1,140.4	0.4885	2.79	494,993	432,737	179,766	42	204,177	47	96	84
Topeka	359.2	0.1539	2.68	173,535	154,124	77,302	50	63,964	42	122	79
Traverse City - Cadillac	416.7	0.1789	2.72	214,560	165,819	62,545	38	93,261	56	94	71
Tucson	725.9	0.3111	2.70	224,542	200,643	79,793	40	97,628	49	65	84
Tulsa	1,158.4	0.4965	2.62	411,010	390,867	189,043	48	146,612	38	72	87
Tuscaloosa	142.2	0.0610	2.84	51,446	49,700	25,829	52	17,020	34	110	97
Twin Falls	74.7	0.0320	2.83	23,726	21,386	8,889	42	11,404	53	81	76
Tyler	272.8	0.1168	2.80	85,954	83,850	40,702	49	32,914	39	65	103
Utica	378.0	0.1619	2.80	172,826	144,660	55,665	38	66,041	46	80	73
Victoria	74.7	0.0320	2.92	39,614	34,047	17,378	51	14,080	41	88	94
Waco - Temple	632.4	0.2710	2.85	236,093	219,713	105,674	48	84,824	39	95	85
Washington, D.C.	4,116.2	1.7645	2.71	2,154,100	2,054,788	809,111	39	893,585	43	118	127
Watertown - Carthage	230.2	0.0986	2.96	82,351	63,960	21,298	33	34,814	54	63	76
Wausau - Rhinelander	442.7	0.1899	2.82	179,161	123,635	38,187	31	77,967	63	82	80
West Palm Beach	905.1	0.3881	2.41	503,999	451,185	143,044	32	273,560	61	116	108
Wheeling - Steubenville	457.9	0.1965	2.75	162,148	131,936	61,111	46	56,063	42	72	87
Wichita - Hutchinson	1,086.9	0.4661	2.60	557,793	517,275	261,294	51	207,708	40	122	73
Wichita Falls - Lawton	436.2	0.1869	2.77	145,718	135,777	66,444	49	52,379	39	75	69
Wilkes-Barre - Scranton	1,303.2	0.5586	2.72	383,366	317,394	130,087	41	149,452	47	69	74
Wilmington	360.3	0.1545	2.87	100,107	97,289	50,561	52	37,428	38	79	83
Yakima	482.4	0.2068	2.74	254,077	217,216	74,560	34	128,291	59	98	88
Youngstown	772.2	0.3310	2.77	268,778	225,812	102,150	45	101,510	45	73	81
Zanesville	85.0	0.0364	2.75	24,727	19,668	8,757	45	8,835	45	62	71
Total ADIs	231,833.3	99.3721	2.74	106,236,275	95,032,755	38,312,509	40	45,601,977	48	100	100

The following segment of the Restaurant Growth Index ranks the top 100 restaurant, fast food, RAI and RGI markets in 1982 by metro area and by ADI. Because the Federal Government has completely revamped the classification system for metropolitan areas, it is not possible to compare the 1982 rankings to prior years' data.

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Top 100 Restaurant Markets - 1982

By metro area

Metro Area Name	Sales Ranking ($000)	
Los Angeles - Long Beach	2,201,737	1
New York	1,860,194	2
Chicago	1,459,652	3
Boston - Lawrence - Salem - Lowell - Brockton	1,082,526	4
Detroit	926,652	5
Philadelphia	827,849	6
Washington	791,103	7
San Francisco	756,080	8
Seattle	741,107	9
Anaheim - Santa Ana	731,358	10
Houston	642,393	11
Minneapolis - St. Paul	612,777	12
San Diego	534,926	13
Nassau - Suffolk	521,872	14
Dallas	475,940	15
Miami - Hialeah	469,751	16
Fort Lauderdale - Hollywood - Pompano Beach	444,852	17
Oakland	439,472	18
Atlanta	416,429	19
San Jose	398,811	20
Pittsburgh	398,586	21
Denver	395,343	22
St. Louis	388,353	23
Tampa - St. Petersburg - Clearwater	386,538	24
Portland, Ore.	386,342	25
Cleveland	371,851	26
Milwaukee	350,612	27
Riverside - San Bernardino	343,061	28
Sacramento	334,596	29
Baltimore	331,791	30
Phoenix	318,338	31
Newark	312,382	32
Bergen - Passaic	306,325	33
Honolulu	298,155	34
Cincinnati	266,551	35
Columbus, Ohio	239,390	36
New Orleans	228,408	37
Buffalo	223,559	38
Norfolk - Virginia Beach - Newport News	222,559	39
Kansas City, Mo.	221,910	40
Hartford - New Britain - Middletown - Bristol	220,215	41
West Palm Beach - Boca Raton - Delray Beach	218,981	42
Orlando	205,426	43
Rochester, N.Y.	203,306	44
Fort Worth - Arlington	200,648	45
Bridgeport - Stamford - Norwalk - Danbury	199,430	46
San Antonio	198,411	47
Monmouth - Ocean	196,009	48
Nashville	194,300	49
Indianapolis	191,950	50
Albany - Schenectady - Troy	178,777	51
Louisville	178,466	52
Providence - Pawtucket - Woonsocket	177,382	53
New Haven - Waterbury - Meriden	165,119	54
Grand Rapids	163,920	55
Middlesex - Somerset - Hunterdon	159,251	56
Dayton - Springfield	151,715	57
Oklahoma City	151,333	58
Omaha	150,634	59
Charlotte - Gastonia - Rock Hill	141,867	60
Las Vegas	141,677	61
Akron	134,702	62
Syracuse	133,371	63
Richmond - Petersburg	133,179	64
Atlantic City	132,747	65
Toledo	131,563	66
Austin	130,385	67
Gary - Hammond	129,980	68
Greensboro - Winston-Salem - High Point	128,617	69
Santa Barbara - Santa Maria - Lompoc	128,070	70
Memphis	127,301	71
Birmingham	124,050	72
Oxnard - Ventura	122,000	73
Jacksonville, Fla.	120,574	74
Salt Lake City - Ogden	119,361	75
Tacoma	119,200	76
Worcester - Fitchburg - Leominster	118,498	77
Springfield, Mass.	113,895	78
Fresno	110,791	79
Salinas - Seaside - Monterey	108,843	80
Bakersfield	107,843	81
Scranton - Wilkes-Barre	106,695	82
Raleigh - Durham	105,916	83
Allentown - Bethlehem	104,020	84
Harrisburg - Lebanon - Carlisle	101,770	85
Madison	101,004	86
Fort Wayne	99,459	87
Kansas City, Kans.	99,281	88
Wichita	95,948	89
Tulsa	95,390	90
Spokane	95,325	91
Lake County, Ill.	94,450	92
New Bedford - Fall River - Attleboro	93,776	93
Saginaw - Bay City - Midland	92,884	94
Portsmouth - Dover - Rochester	91,163	95
Greenville - Spartanburg	90,950	96
Knoxville	90,910	97
Sarasota	89,919	98
Vallejo - Fairfield - Napa	88,943	99
Albuquerque	86,267	100

By ADI

ADI Name	Sales Ranking ($000)	
New York	3,754,386	1
Los Angeles	3,221,636	2
Chicago	1,927,436	3
San Francisco	1,735,907	4
Boston	1,570,512	5
Philadelphia	1,309,192	6
Seattle - Tacoma	1,084,185	7
Detroit	992,987	8
Miami	939,443	9
Washington, D.C.	893,585	10
Minneapolis - St. Paul	784,003	11
Dallas - Ft. Worth	740,235	12
Houston	731,401	13
Cleveland	693,830	14
Portland, Ore.	646,428	15
Denver	619,431	16
Tampa - St. Petersburg	595,906	17
Sacramento - Stockton	587,186	18
San Diego	534,826	19
St. Louis	523,091	20
Pittsburgh	513,169	21
Atlanta	493,038	22
Hartford - New Haven	461,498	23
Milwaukee	449,070	24
Orlando - Daytona Beach	406,137	25
Phoenix	382,512	26
Kansas City	373,738	27
Baltimore	361,570	28
Buffalo	346,949	29
Indianapolis	343,488	30
Grand Rapids - Kalamazoo - Battle Creek	331,946	31
Providence - New Bedford	322,587	32
Cincinnati	310,787	33
Columbus, Ohio	278,000	34
Nashville	277,302	35
West Palm Beach	273,560	36
Albany - Schenectady - Troy	269,928	37
New Orleans	268,159	38
Norfolk - Portsmouth - Newport News - Hampton	249,318	39
Harrisburg - York - Lancaster - Lebanon	230,219	40
San Antonio	227,706	41
Flint - Saginaw - Bay City	226,487	42
Charlotte	222,784	43
Salt Lake City	221,674	44
Louisville	221,026	45
Oklahoma City	217,849	46
Raleigh - Durham	212,333	47
Wichita - Hutchinson	207,708	48
Fresno	207,328	49
Toledo	204,177	50
Portland - Poland Spring	200,737	51
Rochester, N.Y.	200,546	52
Omaha	200,186	53
Green Bay	199,430	54
Dayton	198,656	55
Albuquerque	197,934	56
Greenville - Spartanburg - Asheville	191,642	57
Spokane	187,759	58
Santa Barbara - Santa Maria - San Luis Obispo	186,517	59
Des Moines	185,353	60
Palm Springs	183,794	61
Richmond	179,133	62
Syracuse	178,321	63
Springfield - Decatur - Champaign	173,160	64
Memphis	171,404	65
Cedar Rapids - Waterloo - Dubuque	170,997	66
Salinas - Monterey	170,706	67
Greensboro - Winston-Salem - High Point	167,179	68
Davenport - Rock Island - Moline	158,079	69
Jacksonville	156,086	70
Birmingham	153,095	71
South Bend - Elkhart	149,563	72
Wilkes-Barre - Scranton	149,452	73
Mobile - Pensacola	146,845	74
Tulsa	146,612	75
Burlington - Plattsburgh	145,756	76
Austin, Tex.	143,242	77
Las Vegas	142,332	78
Lincoln - Hastings - Kearney	141,620	79
Ft. Wayne	138,722	80
Sioux Falls - Mitchell	138,490	81
Knoxville	138,072	82
Madison	138,065	83
Charleston - Huntington	135,199	84
Little Rock	130,191	85
Fargo	128,432	86
Yakima	128,291	87
Springfield, Mass.	127,054	88
Shreveport - Texarkana	124,208	89
Paducah - Cape Girardeau - Harrisburg	118,631	90
Roanoke - Lynchburg	117,208	91
Eugene	113,675	92
Lexington	111,797	93
Lansing	108,847	94
Bakersfield	107,843	95
Rockford	105,731	96
Peoria	105,044	97
Ft. Myers - Naples	103,758	98
Springfield, Mo.	103,547	99
Reno	102,519	100

Top 100 Fast Food Markets - 1982

By metro area

Metro Area Name	Sales ($000)	Ranking
Los Angeles - Long Beach	1,435,188	1
Chicago	1,090,307	2
New York	980,300	3
Houston	775,154	4
Detroit	749,082	5
Washington	695,085	6
Boston - Lawrence - Salem - Lowell - Brockton	633,377	7
Philadelphia	627,247	8
Atlanta	598,116	9
Dallas	537,391	10
Anaheim - Santa Ana	483,634	11
St. Louis	424,333	12
Baltimore	422,345	13
Minneapolis - St. Paul	413,763	14
San Diego	411,543	15
Seattle	386,543	16
San Francisco	354,193	17
Nassau - Suffolk	342,312	18
Oakland	324,638	19
Riverside - San Bernardino	314,308	20
Tampa - St. Petersburg - Clearwater	312,745	21
San Jose	310,100	22
Fort Worth - Arlington	306,098	23
Cleveland	288,091	24
Indianapolis	279,534	25
Pittsburgh	276,501	26
Norfolk - Virginia Beach - Newport News	274,438	27
Miami - Hialeah	273,712	28
Cincinnati	272,331	29
Columbus, Ohio	263,102	30
Louisville	261,312	31
Portland, Ore.	256,272	32
Sacramento	242,798	33
Phoenix	242,028	34
Denver	239,350	35
Kansas City, Mo.	230,976	36
Milwaukee	226,267	37
Honolulu	223,475	38
Oklahoma City	222,475	39
Fort Lauderdale - Hollywood - Pompano Beach	220,569	40
New Orleans	217,465	41
San Antonio	215,706	42
Newark	202,713	43
Bergen - Passaic	202,692	44
Orlando	198,294	45
Charlotte - Gastonia - Rock Hill	189,555	46
Hartford - New Britain - Middletown - Bristol	188,678	47
Dayton - Springfield	172,637	48
Nashville	168,963	49
Greensboro - Winston-Salem - High Point	167,670	50
Birmingham	163,250	51
Jacksonville, Fla.	160,527	52
Richmond - Petersburg	159,032	53
Buffalo	154,973	54
Memphis	150,330	55
Austin	147,400	56
Kansas City, Kans.	147,157	57
Wichita	139,624	58
Greenville - Spartanburg	136,640	59
Gary - Hammond	136,135	60
New Haven - Waterbury - Meriden	130,089	61
Rochester, N.Y.	128,757	62
Tulsa	125,846	63
Knoxville	124,782	64
Middlesex - Somerset - Hunterdon	124,425	65
Salt Lake City - Ogden	123,090	66
Raleigh - Durham	121,818	67
Omaha	121,529	68
Akron	119,216	69
Monmouth - Ocean	116,704	70
Toledo	115,375	71
Albany - Schenectady - Troy	109,856	72
Providence - Pawtucket - Woonsocket	103,857	73
Bridgeport - Stamford - Norwalk - Danbury	102,583	74
Oxnard - Ventura	99,633	75
West Palm Beach - Boca Raton - Delray Beach	99,333	76
Allentown - Bethlehem	98,766	77
Harrisburg - Lebanon - Carlisle	98,449	78
Fresno	98,107	79
Little Rock - North Little Rock	96,427	80
Las Vegas	94,002	81
Beaumont - Port Arthur	92,520	82
Lexington-Fayette	90,940	83
Grand Rapids	90,742	84
Columbia, S.C.	88,958	85
Albuquerque	88,850	86
Lake County, Ill.	85,246	87
Lansing - East Lansing	84,941	88
Charleston, S.C.	84,498	89
Syracuse	84,259	90
New Bedford - Fall River - Attleboro	84,034	91
Scranton - Wilkes-Barre	83,115	92
Des Moines	82,9[illegible]	93
Tacoma	82,4[illegible]	94
Baton Rouge	81,494	95
Worcester - Fitchburg - Leominster	81,213	96
Bakersfield	79,941	97
Johnson City - Kingsport - Bristol	79,608	98
Mobile	79,014	99
Wilmington, Del.	78,507	100

By ADI

ADI Name	Sales ($000)	Ranking
Los Angeles	2,218,590	1
New York	2,199,507	2
Chicago	1,515,868	3
San Francisco	1,077,175	4
Philadelphia	975,621	5
Dallas - Ft. Worth	923,724	6
Boston	907,327	7
Houston	895,173	8
Washington, D.C.	809,111	9
Detroit	802,168	10
Atlanta	734,828	11
Seattle - Tacoma	592,598	12
Cleveland	589,261	13
St. Louis	589,047	14
Miami	514,154	15
Minneapolis - St. Paul	502,900	16
Tampa - St. Petersburg	465,845	17
Indianapolis	450,646	18
Baltimore	445,924	19
Sacramento - Stockton	436,335	20
Kansas City	434,691	21
Portland, Ore.	424,563	22
San Diego	411,543	23
Pittsburgh	383,295	24
Denver	377,177	25
Hartford - New Haven	370,309	26
Orlando - Daytona Beach	353,034	27
Cincinnati	343,715	28
Louisville	314,864	29
Norfolk - Portsmouth - Newport News - Hampton	310,926	30
Oklahoma City	304,896	31
Columbus, Ohio	301,500	32
Charlotte	300,529	33
Phoenix	278,886	34
Milwaukee	278,397	35
New Orleans	273,852	36
Greenville - Spartanburg - Asheville	270,750	37
Raleigh - Durham	267,690	38
Nashville	266,934	39
Wichita - Hutchinson	261,294	40
San Antonio	252,108	41
Buffalo	239,457	42
Grand Rapids - Kalamazoo - Battle Creek	221,893	43
Dayton	221,244	44
Greensboro - Winston-Salem - High Point	220,295	45
Richmond	219,195	46
Providence - New Bedford	218,261	47
Birmingham	210,244	48
Memphis	208,603	49
Harrisburg - York - Lancaster - Lebanon	208,325	50
Jacksonville	207,451	51
Mobile - Pensacola	196,515	52
Salt Lake City	192,786	53
Tulsa	189,043	54
Flint - Saginaw - Bay City	183,804	55
Charleston - Huntington	182,374	56
Knoxville	181,612	57
Toledo	179,766	58
Little Rock	178,326	59
Albuquerque	178,006	60
Albany - Schenectady - Troy	168,585	61
Des Moines	166,075	62
Lexington	165,860	63
Austin, Tex.	163,326	64
Shreveport - Texarkana	162,171	65
Omaha	159,914	66
Springfield - Decatur - Champaign	159,851	67
Fresno	159,606	68
Portland - Poland Spring	150,640	69
Davenport - Rock Island - Moline	150,027	70
Roanoke - Lynchburg	144,949	71
West Palm Beach	143,044	72
Cedar Rapids - Waterloo - Dubuque	139,674	73
South Bend - Elkhart	131,882	74
Spokane	131,752	75
Paducah - Cape Girardeau - Harrisburg	130,883	76
Wilkes-Barre - Scranton	130,087	77
Rochester, N.Y.	126,936	78
Columbia, S.C.	123,465	79
Palm Springs	118,807	80
Evansville	118,792	81
Springfield, Mo.	117,857	82
Green Bay	115,833	83
Jackson, Miss.	114,614	84
Ft. Wayne	112,694	85
Chattanooga	111,868	86
Syracuse	111,674	87
Huntsville - Decatur - Florence	110,305	88
Lincoln - Hastings - Kearney	108,438	89
Peoria	106,980	90
Lansing	106,012	91
Waco - Temple	105,674	92
Savannah	103,450	93
Bristol - Kingsport - Johnson City	102,782	94
Youngstown	102,150	95
Amarillo	99,052	96
Beaumont - Port Arthur	98,613	97
Charleston, S.C.	98,599	98
Baton Rouge	97,846	99
Santa Barbara - Santa Maria - San Luis Obispo	96,030	100

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Top 100 RAI Markets - 1982

By metro area

Metro Area Name	RAI	Ranking
Honolulu	220	1
Panama City	213	2
Bellingham	197	3
Grand Rapids	194	4
Ann Arbor	187	5
Battle Creek	185	6
La Crosse	177	7
Bryan - College Station	174	8
Jacksonville, N.C.	173	9
Fort Walton Beach	169	10
Grand Forks	168	11
Wichita	166	12
Fort Lauderdale - Hollywood - Pompano Beach	165	13
Fort Worth - Arlington	164	14
Madison	163	15
Portland, Ore.	163	15
Kalamazoo	162	17
Salem, Ore.	158	18
Champaign - Urbana - Rantoul	155	19
Huntsville	155	19
San Francisco	154	21
Seattle	151	22
Daytona Beach	148	23
Fargo - Moorhead	146	24
Lawrence, Kans.	146	24
Columbia, Mo.	144	26
Muskegon	144	26
Santa Barbara - Santa Maria - Lompoc	144	26
Sarasota	142	29
Lafayette, Ind.	141	30
Fort Wayne	140	31
Kansas City, Kans.	140	31
Atlanta	139	33
Orlando	139	33
Dallas	138	35
Eau Claire	138	35
Sioux Falls	138	35
Gainesville	137	38
Lansing - East Lansing	136	39
Salinas - Seaside - Monterey	136	39
Kansas City, Mo.	133	41
Springfield, Mo.	133	41
Athens	132	43
Bradenton	131	44
Atlantic City	129	45
Miami - Hialeah	129	45
Montgomery	129	45
Raleigh - Durham	129	45
Vancouver	129	45
Anaheim - Santa Ana	128	50
St. Cloud	128	50
Tallahassee	128	50
Chicago	127	53
Lincoln	127	53
Norfolk - Virginia Beach - Newport News	127	53
Rochester, Minn.	127	53
Iowa City	126	57
Kankakee	126	57
Minneapolis - St. Paul	126	57
Washington	126	57
West Palm Beach - Boca Raton - Delray Beach	126	57
Boston - Lawrence - Salem - Lowell - Brockton	125	62
Burlington, Vt.	125	62
South Bend - Mishawaka	125	62
Omaha	124	65
San Diego	124	65
Melbourne - Titusville - Palm Bay	123	67
Savannah	123	67
Bloomington - Normal	122	69
Jackson, Mich.	122	69
St. Joseph	122	69
Spokane	122	69
Charles[illegible]	121	73
Columb[illegible]	121	73
Reno	121	73
San Jose	121	73
Tacoma	121	73
Topeka	120	78
Albuquerque	119	79
Austin	119	79
Davenport - Rock Island - Moline	119	79
Eugene - Springfield	119	79
Bismarck	118	83
Columbus, Ga.	118	83
St. Louis	118	83
Wilmington, N.C.	118	83
Greensboro - Winston-Salem - High Point	117	87
Jacksonville, Fla.	117	87
Bloomington, Ind.	116	89
Columbus, Ohio	116	89
Greenville - Spartanburg	116	89
Los Angeles - Long Beach	116	89
Dubuque	115	93
Hartford - New Britain - Middletown - Bristol	115	93
Muncie	115	93
Fayetteville, N.C.	114	96
New York	114	96
Pensacola	114	96
Portland, Me.	114	96
Elkhart - Goshen	113	100
Lake County, Ill.	113	100
Lubbock	113	100

By ADI

ADI Name	RAI	Ranking
Portland, Ore.	149	1
Miami	144	2
Madison	137	3
Grand Rapids - Kalamazoo - Battle Creek	136	4
Lafayette, Ind.	136	4
Santa Barbara - Santa Maria - San Luis Obispo	135	6
Seattle - Tacoma	135	6
Orlando - Daytona Beach	129	8
Panama City	129	8
Dallas - Ft. Worth	128	10
Gainesville	126	11
Kansas City	126	11
Lansing	126	11
Atlanta	125	14
San Diego	124	15
San Francisco	122	16
Topeka	122	16
Wichita - Hutchinson	122	16
Chicago	121	19
Minneapolis - St. Paul	120	20
La Crosse - Eau Claire	118	21
Washington, D.C.	118	21
Boston	117	23
Florence, S.C.	117	23
Reno	117	23
Los Angeles	116	26
Norfolk - Portsmouth - Newport News - Hampton	116	26
Salinas - Monterey	116	26
West Palm Beach	116	26
Charleston, S.C.	115	30
Eugene	115	30
Ft. Wayne	115	30
Fargo	112	33
St. Joseph	111	34
Austin, Tex.	110	35
Biloxi - Gulfport - Pascagoula	110	35
Tuscaloosa	110	35
Lincoln - Hastings - Kearney	109	38
Omaha	109	38
Columbus, Ohio	108	40
North Platte	108	40
Portland - Poland Spring	108	40
Hartford - New Haven	107	43
Jacksonville	107	43
Davenport - Rock Island - Moline	105	45
St. Louis	105	45
Detroit	104	47
Ft. Myers - Naples	104	47
Greensboro - Winston-Salem - High Point	104	47
Indianapolis	104	47
Springfield - Decatur - Champaign	104	47
Cedar Rapids - Waterloo - Dubuque	103	52
Rapid City	103	52
Salisbury	103	52
Sioux Falls - Mitchell	103	52
South Bend - Elkhart	103	52
Columbia, S.C.	102	57
Milwaukee	102	57
Peoria	102	57
Rochester - Mason City - Austin	102	57
Tampa - St. Petersburg	102	57
Las Vegas	101	62
Lima	101	62
Palm Springs	101	62
Columbia - Jefferson City	100	65
Green Bay	100	65
Mankato	100	65
Mobile - Pensacola	100	65
Providence - New Bedford	100	65
Raleigh - Durham	100	65
Denver	99	71
Erie	99	71
Sacramento - Stockton	99	71
Louisville	98	74
Savannah	98	74
Yakima	98	74
Houston	97	77
Joplin - Pittsburg	97	77
Rockford	97	77
Tallahassee	97	77
Toledo	96	81
Dayton	95	82
New York	95	82
Waco - Temple	95	82
Baltimore	94	85
Bend	94	85
Cheyenne	94	85
Columbus, Ga.	94	85
Des Moines	94	85
Philadelphia	94	85
Richmond	94	85
Traverse City - Cadillac	94	85
Anniston	93	93
Charlotte	93	93
Cincinnati	93	93
Springfield, Mo.	93	93
Albuquerque	92	97
Flint - Saginaw - Bay City	92	97
Rochester, N.Y.	92	97
Spokane	92	97
Montgomery	91	101
San Antonio	91	101

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Top 100 RGI Markets - 1982

By metro area

Metro Area Name	RGI	Ranking
Las Vegas	684	1
Reno	401	2
Atlantic City	222	3
Aurora - Elgin	191	4
Rochester, Minn.	181	5
Casper	174	6
Honolulu	166	7
Orlando	158	8
Anchorage	148	9
Iowa City	144	10
Houston	139	11
New Orleans	139	11
Miami - Hialeah	137	13
Washington	137	13
Minneapolis - St. Paul	132	15
Bremerton	128	16
Huntsville	126	17
Baton Rouge	125	18
Brazoria	125	18
Richland - Kennewick - Pasco	125	18
Ann Arbor	122	21
Bismarck	122	21
Houma - Thibodaux	122	21
Laredo	122	21
Beaver County, Pa.	121	25
Madison	120	26
Charleston, S.C.	119	27
Lansing - East Lansing	119	27
Newark	119	27
West Palm Beach - Boca Raton - Delray Beach	118	30
Grand Forks	117	31
Jackson, Miss.	117	31
Montgomery	117	31
Atlanta	116	34
Tallahassee	116	34
Trenton	116	34
Dallas	115	37
Kansas City, Mo.	115	37
Lafayette, La.	115	37
San Jose	115	37
Cedar Rapids	114	41
Charleston, W.Va.	114	41
Chicago	114	41
Columbia, Mo.	114	41
Florence, S.C.	114	41
Brownsville - Harlingen	113	46
Denver	113	46
Des Moines	113	46
Grand Rapids	113	46
Lexington-Fayette	113	46
Panama City	113	46
Fargo - Moorhead	112	52
Wausau	112	52
Harrisburg - Lebanon - Carlisle	111	54
Kalamazoo	111	54
Nashville	111	54
Philadelphia	111	54
Saginaw - Bay City - Midland	111	54
St. Louis	111	54
San Francisco	111	54
Boston - Lawrence - Salem - Lowell - Brockton	110	61
Jersey City	110	61
Kansas City, Kans.	110	61
Middlesex - Somerset - Hunterdon	110	61
Seattle	110	61
Sioux Falls	110	61
Albany, Ga.	109	67
Lancaster	109	67
Lincoln	109	67
Odessa	109	67
Pensacola	109	67
Phoenix	109	67
Wilmington, Del.	109	67
Baltimore	108	74
Binghamton	108	74
Spokane	108	74
Burlington, Vt.	107	77
Flint	107	77
Knoxville	107	77
Lafayette, Ind.	107	77
Shreveport	107	77
Tampa - St. Petersburg - Clearwater	107	77
Indianapolis	106	83
Lake Charles	106	83
Milwaukee	106	83
Mobile	106	83
New York	106	83
Pittsburgh	106	83
Rochester, N.Y.	106	83
San Diego	106	83
Springfield, Ill.	106	83
Bangor	105	92
McAllen - Edinburg - Mission	105	92
Manchester - Nashua	105	92
Savannah	105	92
Biloxi - Gulfport	104	96
Chattanooga	104	96
Decatur	104	96
Detroit	104	96
El Paso	104	96
Evansville	104	96
Fort Lauderdale - Hollywood - Pompano Beach	104	96
Louisville	104	96
Portland, Ore.	104	96
St. Cloud	104	96

By ADI

ADI Name	RGI	Ranking
Las Vegas	678	1
Reno	412	2
Casper - Riverton	145	3
New Orleans	133	4
Houston	131	5
Washington, D.C.	127	6
Baton Rouge	126	7
Orlando - Daytona Beach	125	8
Miami	121	9
Philadelphia	116	10
Charleston, S.C.	114	11
Florence, S.C.	114	11
Helena	114	11
Minneapolis - St. Paul	113	14
Laredo	112	15
Savannah	112	15
Chicago	110	17
Montgomery	110	17
Lansing	109	19
Atlanta	108	20
Jackson, Miss.	108	20
West Palm Beach	108	20
Bluefield - Beckley - Oak Hill	107	23
Harrisburg - York - Lancaster - Lebanon	107	23
McAllen - Brownsville	107	23
Baltimore	106	26
Cheyenne	106	26
Panama City	106	26
Rochester, N.Y.	106	26
San Diego	106	26
Detroit	105	31
Jacksonville	105	31
Pittsburgh	105	31
Tallahassee	105	31
Dallas - Ft. Worth	104	35
Lafayette, Ind.	104	35
Lake Charles	104	35
Lexington	104	35
Mobile - Pensacola	104	35
San Francisco	104	35
Kansas City	103	41
New York	103	41
Rapid City	103	41
Tyler	103	41
Boston	102	45
Columbia, S.C.	102	45
Tampa - St. Petersburg	102	45
Anniston	101	48
Augusta	101	48
Biloxi - Gulfport - Pascagoula	101	48
Denver	101	48
Nashville	101	48
Phoenix	101	48
El Paso	100	54
Lafayette, La.	100	54
Los Angeles	100	54
Louisville	100	54
Meridian	100	54
Milwaukee	100	54
Seattle - Tacoma	100	54
St. Louis	99	61
Beaumont - Port Arthur	98	62
Binghamton	98	62
Chattanooga	98	62
Columbus - Tupelo	98	62
Flint - Saginaw - Bay City	98	62
Grand Rapids - Kalamazoo - Battle Creek	98	62
Knoxville	98	62
Alexandria, La.	97	69
Birmingham	97	69
Cincinnati	97	69
Columbus, Ga.	97	69
Huntsville - Decatur - Florence	97	69
Norfolk - Portsmouth - Newport News - Hampton	97	69
Parkersburg	97	69
Tuscaloosa	97	69
Burlington - Plattsburgh	96	77
Charleston - Huntington	96	77
Charlotte	96	77
Cleveland	95	80
Idaho Falls - Pocatello	95	80
Madison	95	80
Richmond	95	80
Albany, Ga.	94	84
Bowling Green	94	84
Bristol - Kingsport - Johnson City	94	84
Columbia - Jefferson City	94	84
Elmira	94	84
Erie	94	84
Evansville	94	84
Glendive	94	84
North Platte	94	84
Victoria	94	84
Columbus, Ohio	93	94
Dothan	93	94
Johnstown - Altoona	93	94
Laurel - Hattiesburg	93	94
Macon	93	94
Memphis	93	94
Peoria	93	94
Roanoke - Lynchburg	93	94
Salt Lake City	93	94